Life Is On | Schneider Electric

**SEIL/Sec./SE/2020-21/20** **August 14, 2020**

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

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

**Sub: Annual Report 2019-2020, Notice of the 10th Annual General Meeting ('AGM') and matters related**

Dear Sir(s),

This is to inform you that pursuant to the General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circular(s)") and Circular No. SEBI/HO/CFD/CMD1 /CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular"), 10th AGM of the Company will be held on Tuesday, September 8, 2020 at 3:30 p.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility, to transact the businesses set out in the Notice calling the 10th AGM.

The calendar of events related to the 10th AGM is detailed below:

| Event | Day & Date | Time |
|---|---|---|
| Cut-off date to vote on 10th AGM resolutions | Wednesday, September 2, 2020 | - |
| Closure of Register of Members and Share Transfer Books | Wednesday, September 2, 2020 to Tuesday, September 8, 2020 (both days inclusive) | - |
| E-Voting Commencement Date | Saturday, September 5, 2020 | 9:00 a.m. (IST) |
| E-voting closure date | Monday, September 7, 2020 | 5:00 p.m. (IST) |
| 10th AGM | Tuesday, September 8, 2020 | 3.30 p.m. (IST) |

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Annual Report for the Financial Year 2019-2020 along with the Notice convening the 10th AGM is attached. The same is being sent electronically to the shareholders of the Company today.

The aforesaid documents are also available on website of the Company at www.schneider-infra.in.

We request you to kindly take the above on record.

Thanking you.

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

BHUMIKA SOOD

Digitally signed by BHUMIKA SOOD
DN: c=IN, o=Personal, cn=BHUMIKA SOOD, serialNumber=9af896498d49e15efccbd4b6a14045efb5e0cd3b88cf11c6b3023ba9e660a6ba, postalCode=110016, 2.5.4.20=3397228ba9502a514ffb475a93ddeb10a57b385836a2f8d68a54292a207c328c, st=Delhi, title=Mrs
Date: 2020.08.14 16:35:59 +05'30'

**(Bhumika Sood)**
**Company Secretary and Compliance Officer**
Encl: As above

Transforming Energy Management with

# DIGITISATION

Schneider Electric Infrastructure Limited
Annual Report 2019-2020

www.schneider-infra.in

Life Is On | Schneider Electric

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**Forward-looking Statements**

Statements in the Annual Report detailing the Company's objectives, projections, estimates, expectations, or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Since these statements are based on certain assumptions and expectations of future events, the actual results could differ materially from those expressed or implied. The important factors that could make a difference to the Company's operations include the economic conditions affecting the domestic demand-supply conditions, prices of finished goods, the changes in government regulations because of the tax regime, etc. The Company assumes no responsibility to publicly amend, modify, or revise any forward-looking statements based on the subsequent developments, information, or events.

# Transforming Energy Management with Digitisation

'The only constant in life is a change' might be an old cliché but continues to be relevant even today, especially in the world of the new normal – a world more dynamic and complex than it was a few months ago. We believe that major sectors of the economy are all undergoing transformations that will fundamentally change the way people will live, work, and play.

In the complex world of today, connectivity and energy are the new constants to ensure that 'Life Is On'. These helps us access to education, access to our network, access to our business and professional network leading to a decent and better life. Of course, the demands for these new elixirs of life are itself going through a sea change. The demand is for clean, sustainable energy. The demand is to generate energy in a highly efficient way. The demand is for reliable connectivity. Importantly, the requirement for reliable, clean and sustainable energy and connectivity is coming from individuals, companies, communities and even nations.

Even as the demand is on continuous growth trajectory, technology is playing a key role and is being continuously adopted and adapted to achieve individual, business and environmental goals. Further, we continue to witness the astounding productivity gains and cost savings when technology aligns with business.

To achieve reliable, clean and sustainable energy, we have to start thinking of new ways about energy management and industrial automation. Electricity is currently one of the best options for decarbonisation, while automation technologies can bring tremendous efficiency opportunities. Therefore, the only truly sustainable future will be both digital and electric.

Digitisation allows us to remove the human factor from hazardous situations, as well as safeguards us in emergencies. This dramatic improvement in reliability allows us to produce at capacity or more while still reducing carbon footprints. Beyond having a significant impact on carbon footprint, digitisation is reinventing the way we produce, distribute and use energy and is driving benefits in CapEx, OpEx and beyond. Technological innovations in energy management is bringing about a paradigm shift and shape a new world, where energy is more stable, accessible and cost-effective.

The digital transformation movement in energy management is accelerating globally and this needs to reflect in the Indian utility sector and other heavy power consuming segment including transportation, metals, minerals, commercial buildings, etc. Technological advancement in the energy management space with advanced analytics systems, coupled with the access to real-time analytical data, is strengthening the march of digitisation amongst the power distribution companies and heavy power users. Digitisation is playing a major role at both the operational and consumer level, which has led to companies like us to invent a complete portfolio of smart, connected products. At Schnieder Electric, we have developed new technologies that enable distributed and connected energy that will redefine the way we live. We have created products which aid in the interconnection of Information Technology (IT) and Operational Technology (OT) to produce actionable information for better business results. We help sustain customer resources, reduce $CO_2$ emissions and better manage and ensure more livable environments. We build and deliver safe, reliable products and solutions — from the simplest of switches to complex operational ecosystems. All this with a simple objective… we support our customers' journey to achieve better energy and process efficiency in their cities, businesses, plants, buildings and homes with solutions that are simpler to use.

# Schneider Electric Infrastructure Limited: at a Glance

2019 Annual General Meeting with shareholders

Schneider Electric Infrastructure Limited (SEIL/ Company), manufactures electricity distribution, and control apparatus (electrical apparatus for switching or protecting electrical circuits e.g. switches, fuses, voltage limiters, surge suppressors, junction, boxes, etc). We are ahead of the curve with innovative products and solutions, empowering our customers to achieve best-in-class performance from their electrical infrastructure.

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

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

## Commitment

We are committed to building efficiencies in our consumption of energy and bringing that to our extended ecosystem as well.

## Responsibility

Our responsibility though extends beyond our ecosystem to the world. We are focused on supporting the world to take urgent climate action.

## Our Mission

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

## Our Parentage

Schneider Electric is a leading company in the Digital Transformation of Energy Management and Transformation. Schneider Electric has built leadership positions in each of its businesses worldwide, leading the digital transformation of Energy Management and Industrial Automation. Schneider Electric as a Group has a presence in more than 115 countries and employs more than 135,000 people globally. As of 2019, it generated a top line of Euro 27.2 billion with a bottom line of Euro 2.41 billion.

## Our Strategy

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

# Financial Highlights

₹ in Million*

| Particulars | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 |
|---|---|---|---|---|---|
| Revenue | 13,844 | 13,903 | 13,140 | 12,631 | 14,026 |
| EBITDA | 390 | 738 | 58 | (992) | 560 |
| PAT | (296) | (244) | (647) | (1,687) | (182) |
| Total Equity | 14 | 234 | 525 | 1,144 | 2,388 |
| Non-Current Assets | 3,882 | 3,755 | 4,445 | 4,259 | 2,414 |
| Inventory | 2,185 | 2,421 | 2,717 | 2,201 | 2,288 |
| Cash & Bank | 133 | 184 | 510 | 210 | 13 |
| **Ratios** | | | | | |
| Earnings per share (EPS) | (1.2) | (1.0) | (2.7) | (7.4) | (0.9) |
| EBITDA Margins (%) | 2.82% | 5.31% | 0.44% | -7.85% | 3.99% |
| PAT Margins (%) | -2.14% | -1.76% | -4.92% | -13.36% | -1.30% |

*Figures rounded off to nearest one.

# A Statement from Chairman Vinod Kumar Dhall

Dear Shareholders,

I am happy to present to you our Annual Report for the financial year 2019-2020 (FY2020).

With the global outbreak of COVID-19 pandemic and its impact on India, the last few months have been extremely challenging for almost everyone.

I hope all of you and your family members are healthy and safe, and are following government healthcare guidelines to emerge from these critical times.

FY2020 began on a cautious note as the country was heading for a general election even as a continuing undercurrent of the crisis around Non-Banking Financial Companies still prevailed. Your Company performance was further stressed due to flooding in our Vadodara plant impacting the operations of our switchgear factory in the city. It took us nearly a month to get the plant running and able to execute many orders and projects. Your Company has to remain prepared in the face of continuing uncertainty arising from the virus. While we did see a glimmer of positiveness in the economy for Q3 and beginning Q4, the spread of COIVD-19, the black swan event from mid-Q4 onwards left individuals, companies and governments across the globe scrambling and this hit, every stakeholder, hard. The financial year ended with the economy performing at 4.2% as India's economic growth hit an eleven-year low. The Indian government has announced several measures to meet the economic, health and social impact of the crisis. Your Company was impacted by slow economic growth and COVID-19 resulted in flat revenues.

However, despite the poor performance of the economy, there was a silver lining - the energy demand for FY2020 was higher by 1.2% year-on-year. Further, the installed capacity saw an increase by 3.9% to close the year at 370 Gigawatt (GW) capacity. It is equally interesting to see that renewables continued to post strong growth numbers. An Institute for Energy Economics and Financial Analysis report mentioned that renewable energy delivered more than two-thirds, or 9.4 GW of India's new generating capacity additions in FY2020, while new thermal power plants delivered 4.3 GW, net of the 2.5 GW removed due to end-of-life plant closures.

This is a paradigm shift that we are witnessing in the Indian power sector. While the government is continuously supporting the country's move towards clean and green energy, another important reason which will ensure the continuous growth of renewables is the availability of domestic and global finance. It is clear that renewables will lead the charge in creating energy and therefore 'connectivity' across the country.

This fundamental change will imply a complete transition of the power industry and its infrastructure and we are ready to help Indian utilities navigate this challenging transition especially in turbulent times. With our commitment to the 'New World of Energy', we continue to lay emphasis on the need to Decentralise, Digitise and Decarbonise and support them to attain an energy infrastructure which is more efficient, sustainable, reliable and connected.

Globally, we continue to invest heavily in key areas like Internet of Things, Artificial Intelligence, Data Centers and Big Data Analytics among others and in India, we are working extensively with customers to offer them optimal solutions based on EcoStruxure™, our next generation of active energy management and automation architecture innovations, to help them do a seamless switch in their digital journey in the energy management space.

FY2021 has begun on a challenging note, however, we have started the year with a healthy pipeline with order book position of around ₹ 9,000 million. Further, we are sharply focussed on the good cost and bad cost to ensure that we sail through the current 'new normal' financial year. However, my team and I are confident that we shall overcome this 'new normal' and find many opportunities where others find challenges.

I remain hopeful that government, organisations and individuals working together can and will overcome this great challenge to humanity.

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.

# Discussion on Indian energy management, digitisation, creating new supply chain and SEIL

## Featuring Bruno Bernard Dercle, Managing Director & Chief Executive Officer and Arnab Roy, Whole-Time Director & Chief Financial Officer

**Energy accessibility has greatly improved over the last decade in India. Energy management, though, has to go a long way. How do you view energy management evolve over the next three-five years, in India?**

**Bruno:** In the past few years, we have started seeing the process automation and digitisation in the energy management space in India and I don't see any reasons for a slowdown in this in the coming years. I see all energy management equipment will be connected products and further aid in automation and digitisation. Further, I do not see any particular segment taking a lead in the digitisation like power distribution utilities but it will evenly pan out in practically all segments including buildings, metro, airports… any place where power is used.

The second big trend I see, which is an outcome of the automation and digitisation, is remote availability. Given the COVID-19 pandemic experience, we are realising the importance and the dire need of remote accessibility of our networks. While our customers have been asking for connected products and solutions, I think the pandemic will further accelerate the demand for them to ensure that they are in control of their networks, even if they are facing a lockdown situation.

Power is an essential requirement for each one of us. In fact, I don't think we can think of economic growth if individuals and companies do not have access to competitive, reliable and efficient electricity. So the opportunities in India are tremendous. Looking at the next 3-5 years, I see demand for connected energy management products coming from the traditional segments like real estate, transportation (metro, railways, highways, airports), power distribution, metal, cement, steel and also new segments like data centers, e-commerce players and cloud service providers.

**What are the inherent incentives do such frameworks bring for various stakeholders?**

**Bruno:** I think there are enough examples coming out of the current lockdown which are good case studies for investing in digitisation and automation. It has been seen that Discoms, which have deployed smart meters have seen a billing efficiency of 95% through the use of smart meters during the lockdown, resulting in a 15-20% average increase in monthly revenue per consumer. Imagine the discoms who did not invest in such automation and digitisation initiatives would have lost so much cash as they could not invoice their customers.

Another example and closer to home is our investment in creating a virtual Factory Acceptance Test (FAT). We sell really complex machines with several stages of design and equipment being manufactured in our multiple factories. At the end of the entire process, the equipment has to be tested in the presence of the customer. During the lockdown, as the customers could not come to test the equipment, we created the virtual FAT where we can showcase the entire process virtually. This has helped us generate positive customer engagement.

**Given the rapid strides being made by India on renewables, how do you see the renewables changing the paradigm in the power sector?**

**Bruno:** I agree that renewables are making strong inroads in the Indian power sector. I see three major themes emerging in the Indian power sector. First, there is a clear shift from thermal to renewables and this is evident in the numbers of FY2020 where we see that the growth in the power generation in India has been led by the renewables segment. The next theme emerging from the renewables is the nature of the distribution. Unlike traditional power generation where we have a single point of generation, of course renewables will see a single point of generation due to the mega projects. However, the big difference will be the availability of distributed generation as we see individuals and companies setting up rooftop solar units. And this leads to the other theme in the segment. We are seeing the new types of players (individuals, large land owners, private equity, entrepreneurs, etc.) in the market and this will impact the entire decision-making process and the rationale for setting up the power generation unit.

**Global supply chains witnessed its first major disruption of nearly two decades, in 2020. How has this impacted the Company? What changes/ realignments do you foresee taking place in the supply chain, going forward?**

**Bruno:** I think the trend of regionalisation was already there before the COVID-19 crisis. Regionalisation of the supply chain has been taking roots for some time now as companies are understanding the importance of having a flexible, regional supply chain. COVID-19 has only further strengthened this, given our dependence on a single country and the consequent impact we are witnessing today. Looking forward, I think we will see a higher migration by companies building flexibility in the supply chain as the shift towards regionalisation continues.

**Arnab:** While the global supply has seen massive disruption in recent times due to COVID-19, the Indian supply chain has seen an additional impact due to the prevailing geopolitical situation. We saw the impact of COVID-19 as early as January 2020 with the lockdown in China. Even as China recovered, we saw the pandemic spread to India and the subsequent lockdown. So in the last quarter of the FY2020, we started seeing delay of 4-6 weeks in the arrival of our raw material, impacting the Company significantly.

However, even as the supply chain disruption continued, we saw an added impact in the past few months due to the geopolitical situation which added to the woes in the supply chain. The Government of India has given directions for its tenders like disclosing the source, but it is still a wait and watch situation for us as we are trying to understand the various government directives.

I agree with the flexibility in the supply chain trend mentioned by Bruno. Infact, I see the shift happening within the country as well. For example, earlier we were dependent on the Nashik region in Maharashtra for some of our raw material but now we are developing newer sources across India.

**The new normal is the buzzword these days. How do you view your operating landscape changing with the new normal?**

**Bruno:** The new normal has created a different acceptable behaviour for all of us. In the new normal, we are finding new ways of working and interacting with our customers. Today, we have accepted that you do not have to be physically present in the office to do an efficient work; customers are understanding that we can connect with them virtually and the show will go on. Infact, we have done many webinars, virtual presentations for a small group or a large audience. We have organised webinars for over 200 members of our community including partners, distributors and specific customers. Again, the new normal will require investment in automation and digitisation.

**Arnab:** With the new normal, I think we are questioning traditional wisdom about the need for square feet office space. I see companies having compact footprint in terms of office space as an outcome of the new normal. A lot of work areas like customer interactions, office space, physical presence in the office, increased usage of virtual technologies and higher investment in related technologies, are getting redefined with the new normal.

**How has SEIL's journey in India progressed since going public? Where do you see the opportunities for the Company?**

**Arnab:** The energy management market has had an interesting trajectory. If you look a few years back, the segment was largely dependent on the government utility, steel companies, etc. Hence our dependence was extremely high on government-led customers and few private customers. This led us to a situation where we had large receivables on our books. So in early 2017, we decided to provision around ₹ 2,000 million and in a way restarted our journey in India. Since then, we have focussed on building a distributed portfolio and today we cater to multiple segments including mobility, oil and gas, data centers, etc, either directly or through our partners.

**Bruno:** Beyond the diversification of our customer portfolio, we have changed the way we do business. Earlier, we would be focused on selling equipment. Given the technology play in the energy management

In the past few years, we have started seeing the process automation and digitisation in the energy management space in India and I don't see any reasons for a slowdown in this in the coming years. I see all energy management equipment will be connected products and further aid in automation and digitisation. Further, I do not see any particular segment taking a lead in the digitisation like power distribution utilities but it will evenly pan out in practically all segments including buildings, metro, airports… any place where power is used.

space, we have restructured our business as we now focus on solutions and services. To take the complete benefit of our equipment, it is important to customise as per the specific customer requirement and hence our shift towards service.

Arnab already mentioned about the new segments we cater to. One of the important things to consider from the opportunity aspect is the number of private players entering either new areas or even the traditional businesses like power distribution. I think the new players appreciate the advantages of technology and are willing to make a higher investment in technology for better customer experience and higher returns. Importantly, this raises the expectation level and will put pressure on the public sector utilities to invest in technology for an equal play in the sectors.

**How significant does India appear in the global scheme of things for the parent, Schneider Electric?**

**Bruno:** Let me be absolutely clear that for Schneider Group, India is one of the most important markets. This is not only from the perspective of large market potential, but also from the skill sets available, technology and manufacturing, in the country. I had spoken about bringing in flexibility in the supply chain and our Indian operation is emerging as an important element of our global supply chain. Today, the operation is a manufacturing hub for many products like Medium Voltage Switches which are being exported to South East Asia, Africa, etc.

**What do SEIL's key stakeholders expect from the Company in the coming years?**

**Arnab:** The key message to all our stakeholders is that we are committed to the overall vision of the Company and have a clear strategy and milestones in place to achieve the vision. Since 2017, we have refocussed and now are in a steady recovery. It is imperative to understand that we are in the long-cycle recovery business and working towards the recovery in a structured way. We have made good progress in various aspects like portfolio rebalancing, offering the latest and most advanced technology in energy management to our customers, focusing on pruning our fixed costs and ensuring high employee motivation. If you look at the FY2020 where we saw two abnormal events like the flooding of our plant and the COVID-19 pandemic and normalise these quarters, you will realise that we are moving ahead in the promised direction. The effects of some of these initiatives are already visible in some areas of business and others will be visible as we go ahead in the next 12-18 months.

From our customer perspective, we are committed to bring in the best-in-class connected technology, products and services, backed by our global Research & Development powerhouse. Importantly, given our understanding of technology, we are confident that our offerings are safest, secure in all dimensions including the Cyber security.

# Board of Directors and Key Managerial Personnels

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

02.
Mr. Bruno Bernard Dercle
Managing Director and Chief Executive Officer

03.
Mr. Ranjan Pant
Independent, Non-Executive Director

04.
Mr. VS Vasudevan
Independent, Non-Executive Director

05.
Ms. Namrata Kaul[1]
Independent, Non-Executive Director

06.
Mr. Anil Chaudhry
Non-Executive Director

07.
Mr. Sugata Sircar
Non-Executive Director

08.
Ms. Bidisha Nagaraj
Non-Executive Director

09.
Mr. Piyush Pandey[2]
Whole-Time Director

10.
Mr. Arnab Roy [3]
Whole-Time Director & Chief Financial Officer

11.
Ms. Bhumika Sood
Company Secretary and Compliance Officer

*Brief Profile of Board of Directors can be accessed at infra.schneider-electric.co.in/investor/boardofDirectors.*

[1] *Ms. Namrata Kaul- appointed on the Board as Additional and Independent Director with effect from November 6, 2019.*
[2] *Mr. Piyush Pandey - appointed on the Board as Whole-Time Director with effect from May 22, 2019.*
[3] *Mr. Arnab Roy - appointed on the Board as Whole-Time Director with effect from June 16, 2020.*

# Corporate Information

## Committees of the Board (as on March 31, 2020)

### Audit Committee

Mr. Vinod Kumar Dhall, Chairman
Mr. Ranjan Pant, Member
Mr. VS Vasudevan, Member
Mr. Sugata Sircar, Member
Ms. Namrata Kaul, Member[1]

### Stakeholders 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
Ms. Namrata Kaul, Member[1]

[1] Appointed as member w.e.f February 5, 2020.

### 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
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Vadodara - 391510, Gujarat
Contact: +91 02668 664300
Fax: +91 02668 664621
Email: company.secretary@schneider-electric.com

### Corporate

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

# Business & Strategy

## Business Profile – Our Business, Product & Solutions, Application Segments, Geographic Footprint, Financial Position

Schneider Electric Infrastructure Limited is the Indian subsidiary of Schneider Electric, a €27.2 billion revenues behemoth providing energy and automation digital solutions for enhancing efficiency and sustainability.

We are engaged in the business of manufacturing, designing, building and servicing technologically advanced products and systems for the electricity networks.

Life Is On… the world continues to evolve into something more digital every minute, every day. New challenges faced by individuals and organisations are becoming opportunities for them to further move into the digital realm. Importantly, organisations now realise that they will have to adapt to the digital world, otherwise, they will become uncompetitive in the market.

With heavy investments in the Internet of Things (IoT), Artificial Intelligence, data centres, and big data analytics among others, our innovations in these areas help our customers successfully transition in their digital journey in the energy management space. We are helping them to build their energy management infrastructure for longterm and which is green, smart and automated.

With 3 manufacturing facilities in India at Vadodara and Kolkata, we are a leading Company in the manufacture of the wide range of industry-leading and globally benchmarked products for energy management including Transformers, Medium Voltage Primary and Secondary Switchgears, Protection Relays, Electricity Distribution Management Systems, a software suite for self-healing smart grid, E House and smart cities applications.

Importantly, to give a higher return on the investments, and longer life to the infrastructure equipment, we manufacture all products based on the EcoStruxure™ platform. This helps our customers to harness the power of digitisation, enabling them to become more efficient, safe, reliable, connected and sustainable.

SEIL supports multiple industries in their quest to build world-class and sustainable energy management infrastructure including Power and Grid companies, MMM (Mining, Minerals and Metals), Oil and Gas, Transportation/ Mobility (Railway, Metro, Automobile, Airport, etc) and other electro intensive segments.

# Business Model & Strategy

## Our Strategy

At Schneider Electric, we believe that the foundation for a decent life begins with 'Energy'. However, in the 21st century, along with energy, connectivity has become the fundamental requirement for living a decent life. Both energy and connectivity, helps us access to education, access to our network, access to our business, and professional network… a decent and better life. In line with these, it is our vision to "…lead the new digitised energy world, offering our Customers and Partners, innovative connected products & solutions, ready for the power distribution's elevated expectations."

We bring energy and digital together and to build complete solutions, based on EcoStruxure™. Our next generation of active energy management, and automation architecture, to make the environment safe, reliable, efficient and sustainable for our customers. Backed by global research, we continue to pioneer design, manufacture and service technologically advanced Medium Voltage (MV) solutions to simplify the lives of those who use them.

We have been in a transformation journey since the past few years and working on various areas in line with the transformational objectives. This involved focussing on the segments like Utilities, Mobility, Mining, Minerals and Metals (MMM), Commercial Industrial Buildings (CIB), etc. that we want to play in with a clear approach to these segments and a clear go-to-market (GTM) strategies along with the best-in-class solutions and a connected product portfolio for each segment. This new 'basics in place' journey has been well laid out now and we are seeing the benefits of the strategy in terms of revenues, higher customer satisfaction, etc. We continue to offer smarter, connect products to help our customers enhance efficiency and get a quicker return on investments.

## Creating new business models and effective distribution channel

The Group has a strong lineage of 184 years! We have been continuously setting new benchmarks for all aspects of our business. Based on the leading industrial manufacturing processes, we have achieved high levels of standardisation and ensured faster deliveries. In creating this, we aim to transform the conventional MV business model from Engineered to Order (ETO) to Made to Order (MTO) or Configured to Order (CTO) business model.

During the financial year, we continued to focus on developing efficient profitable go-to-model through partners. 'Accelerate growth through partners, our most profitable GTM model' is one of the key strategic pillars in our pursuit of repositioning the business to a profitable and service driven business. Given the varied market segments we cater to, including Power and Grid companies, CIBs, MMM, etc, we have built different, efficient partner models for our go-to market strategies. Our partners range from large EPC vendor, to contractors / integrators and partners/ distributors who help us in our transactional model where we sell component and core component. Over the years, we have built a strong base of such partners across all domains.

During the year, we have made good progress on our Life Sponsor programme and the Core Component Partner programme. We launched new offers of license for the MV and signed two licenses. We had two additional DX Avenue license cases. We had several best-in-class partners onboarded during the year including the following:

**Sudhir Power Ltd.**
An industry leader in the field of power generation providing complete turnkey electrical solutions from generation, distribution to electrification.

**Tricolite Electrical Industries Ltd.**
Market leaders in manufacturing from small home use electrical equipment to custom build switchboards and turnkey solutions.

**Amara Raja Power Systems Ltd.**
An industry veteran with a presence in the automotive battery business, packaged foods and beverages, electronics products manufacturing, infrastructure sector, power system production and fabrication of sheet metal products and fasteners.

**PSR Pvt. Ltd.**
Manufacturer and exporter of Special Purpose Machines, Induction Furnace and Equipments, Epoxy Mouldings, Current Transformer (C/T) and Potential Transformer (P/T), Welding Automations, Hydraulic Power Pack, APG Machines and more.

During the year, we continued to work on our channel strategy, given that the Indian Power and Grid market is still highly fragmented, and therefore inefficient throughout the entire supply chain from designing the product to delivery to maintenance.

Based on our global learnings, we have developed technical tools, best practices and case studies to support our partners and distributors as we join hands together to bring a digital transformation for our customers. As part of our strategy, we strive to improve interactions across the value chain and bring all partners on to one open platform. We have the best-in-class tools to simplify the capex phase. We continue to support in terms of offering the best solution/product at the best price creating the best value for our partners and customers.

All in all, the year ended with our continued focus on establishing a strong, robust distribution channel working hand in hand with our existing channel partners even as we widened our network by bringing more like-minded partners and distributors.

## Partner Express

With Partner Express, our partners get simple selection, off-the-shelf ordering, personalised support as well as quick quotation prices and fixed delivery times. It's everything they need to keep their business agile, manage their time more efficiently and improve their productivity. During the year, our teams worked to ensure that we address all pain points of our partner community including Specifiers, Panel Builders, Contractors and Distributors.

After detailed feedback from our partners, we reworked on the order flow process to increase their productivity by digitising and simplifying the entire workflow. For example, our partners had to wait for nearly 1-2 weeks to just get an offer. Today with the 'Ecoreal Express', we have created the best offers in the system giving our partners instant access along with the peace of mind as they have the right information along with the right support. Further, they can now do an online booking on 'mySE', our customised portal for the partners. We continued to work on enhancing the user experience by offering intuitive and simple interface. Our commitment for our partners has helped us to reduce the Partner Express' order flow processing time from over 12 weeks to nearly 6-8 weeks.

## Leveraging market trends & Government policies creating opportunities

The industrial revolution brought in a new era in our development, we saw the rise of industrialisation across the globe and its subsequent effects on urbanisation, and more recently, on digitisation. These three continue to be an inevitable part of our lives. These megatrends have continued to pose challenges and also offer new opportunities for the Company.

With governments across the globe, aiming to raise the standard of lives have been focusing to offer reliable power, they have added another goal - connectivity. In India, the central government and various state governments have put in policies to ensure high standards of power reliability and safety requirements. Further, additional initiatives like 'Make in India', Digital India, etc in conjunction with other policies like Ujjwal DISCOM Assurance Yojana (UDAY), Integrated Power Development Scheme (IPDS), Smart Cities, etc. are creating significant opportunities for growth. These new electrification paradigms are posing new challenges for the power system as every major producer looking at sustainability, reliability, higher efficiency, and flexibility… creation of new age power infrastructure. Given such dynamism, we have focused on specific segments like Utilities, Renewables, Oil & Gas, MMM, Data Centres and Transport by developing specific EcoStruxure™ in solutions to suit the unique requirement in each segment.

## Mega Trends

### Overhead to undercover lines

Increasingly power and grid companies are investing in underground cables for electricity distribution. And not without good reasons. Overhead lines are prone to blackouts and there is a continuous requirement for observation and maintenance. There is a high requirement of manpower to be ready and work on the lines as and when the fault occurs. A big reason for blackouts is due to damage caused by severe weather conditions such as lightning, hurricanes, cyclones, typhoons, tornados and freezing.

Unlike overhead lines, underground cables are protected against the vagaries of nature reducing aggregate technical and commercial losses for the utilities. Another big advantage, especially in a country like India, is that underground cables prevent illegal connections. Further, underground cables are more suitable for network expansion as they require a minimum clearances such as wildlife and forest clearances, which often delays transmission projects.

We provide a complete range of connected and sensor-based Ring Main Units (RMUs) for the smart

grid to reduce outage time by detecting faults early and automatically reconfiguring the network afterward. Our products also integrate intermittent and distributed generation smoothly to maintain energy quality and stability.

## The Era of Smart Metering

In a country like India, smart meters can help the Discoms reduce technical and commercial losses, improve their financial health, incentivise energy conservation, enhance ease of bill payments and ensure billing accuracy by getting rid of manual errors in meter reading.

The state-owned Energy Efficiency Services Limited (EESL) has been facing huge electricity distribution losses. Your Company has decided to put up five million smart meters in Bihar and Andhra Pradesh.

EESL worked with your Company to create a smart meter architecture to minimise human intervention in metering, billing and collection process and help in reducing theft by identifying loss pockets. We rolled an 'Edge Control' solution based on our EcoStruxure™ Advance Metering Operations. The solution helped EESL to establish two-way communication with the smart meters, acquire the data and enable remote meter reconfiguration, among other things. With the Edge Control deployment, EESL can now connect its entire network to enable it to have near real-time gathering and transfer of energy usage information.

With the solution, EESL gained multiple benefits including…

- Improved billing efficiency,
- Sustainable increase in its revenues,
- Peak load optimisation via demand side management,
- Increased network reliability and efficiency, and
- Optimisation of power procurement cost.

The importance of deploying smart meters for Discoms has come to the fore during the COVID-19 lockdown. It has been seen that Discoms, which have deployed smart meters, have seen a billing efficiency of 95% through the use of smart meters during the lockdown, resulting in a 15-20% average increase in monthly revenue per consumer.

## Microgrids

In the new energy landscape, there is a high pressure on government and utilities to supply reliable, clean and guaranteed power to consumers. Hence, the way energy is being produced, bought and managed is witnessing a massive change. And microgrids and the benefits they offer are poised to play a starring role in this new, changing energy landscape.

Microgrids represent a paradigm shift from the traditional remote centralised nature of power generation and distribution to a localised, distributed generation. This makes the microgrids more resilient to mitigate grid disturbances as they can operate even when the main grid is down. Energy solutions like advanced microgrids are a natural extension of our 100-year legacy in the power distribution and energy management business.

Ranked as an industry leader by Navigant for best-in-class microgrid technology and solutions, we have successfully designed, built and maintained over hundreds of advanced microgrid and controls projects across the globe. By developing new microgrid technologies, financing models, and partnerships, we continue to help customers optimise their distributed energy resources and accelerates business performance.

During the year, we signed a Memorandum of Understanding (MoU) with battery leaders Amara Raja Power Systems Limited to study the desirability and feasibility of a collaboration in the field of Microgrids with energy storage. This will help us bring our international products and solutions in this area, along with global best practices to help solve India's electricity woes.

## Creating a smarter electricity grid

Given the increasing climate changes consequences on all of us, organisations and individuals are relooking at their power requirement. There is a sharp outcry to reduce carbon and given that thermal mode of power generation is one of the biggest carbon emitters, power generation companies are looking at renewable sources of energy. In recent times, we have seen a large number of the new generation of power companies focussing solely on renewable sources. With further push and support from the government, in India and across the globe, there is an increased requirement to look at renewable sources of energy and move away from thermal usage. This is expected to pose a tremendous challenge to the existing generation, transmission, and distribution model. Currently, our model implies a centralised power generation, and the electricity grid is used to distribute the power to factories, homes, buildings, etc. Renewable energy generation and distribution are by nature intermittent and variable and this requires a new kind of distribution grid. Large scale integration of renewable generation requires special balancing mechanisms to deal with the uncertainty and variability to maintain grid stability and security. To address these issues and bring efficiency and seamless integration of emerging technologies in the field of monitoring, automation, control, communication and IT systems is the clarion call for the industry. Adding to the woes of the power Transmission & Distribution companies, the infrastructure and the grid have aged leading to overloading and frequent tripping. Companies have the option of continuing with the heavy maintenance in the aging system without having a guarantee of reliability, safety and increasing efficiency or invest in the creation of smart grids –the network which can easily adapt to changing and complex environments.

Smart grids integrate 21st century technology with the 20th century electrical grid and has the potential to revolutionise the electricity delivery system and provide access to electricity for all. A smart grid constitutes smarter supply (the efficient integration of renewable energy sources, 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 an integrated management system. Schneider Electric is a pivotal organisation contributing to all these domains.

Case Study

# Advanced Distribution Management System (ADMS)

Around the globe, and especially in India, power and grid companies are facing a multitude of challenges. There is a growing regulatory and customer pressure for increased reliability. For most traditional thermal-based plants, there is a continued outcry to reduce carbon emissions and decrease the carbon footprint, even as they face competitive challenges from new renewable players. There is increased pressure on them to invest in renewable energy and this means the adoption of distributed generation and energy storage, even as they have to continuously invest large capital in their own aging infrastructure. Of course, if they have to minimise distribution loss, they have to look at additional investments in smart meters and gear up for the entire data integration challenges. Not to mention the issues they face due to outages from severe weather and grid operation complexity.

Increasingly, utilities are looking at deploying ADMS to tackle many of the above highlighted issues.

Our own EcoStruxure™ ADMS is used by 75 utility companies that serve 70 million end-customers around the world and is an industry benchmark. Leading experts continue to recognise our ADMS for its unmatched outage response, optimised grid operations and Distributed Energy Resource (DER) management among others. We provide the most comprehensive network management solution, including monitoring, analysis, control, optimisation, planning, and training tools that all function on a common representation of the entire electric distribution network. By merging Distribution Management System (DMS), Outage Management System (OMS), and Supervisory Control and Data Acquisition (SCADA) systems into one secure, unified solution with more than 50 advanced functions, it can maximise the benefits possible from a growing foundation of intelligent grid devices, distributed renewable energy, advanced metering creating a smart grid.

Gartner has recognised Schneider Electric as a leader in the 2017 Magic Quadrant for ADMS and received the highest scores for all three targeted use cases: improved outage response, optimised grid operations and DER management, in Gartner's Critical Capabilities for ADMS.

During the financial year, we partnered with the Kerala State Electricity Board (KSEB) to deliver an integrated and smart electrical distribution system to the cities of Thiruvananthapuram, Ernakulam and Kozhikode.

The state of Kerala has unique challenges including crisis caused by extreme rainfall and flash floods that disrupt power supply. With the EcoStruxure™ SCADA/DMS architecture, we will help in providing reliable and quality power at competitive cost and bringing down distribution losses.

We aim to work with our IoT enabled platform at three levels:

- **Layer 1:** 51 Nos of 33/11KV Substations monitored by RTUs, 305 Ring Main Units monitored by Feeder RTUs, 550 Fault Passage Indicators (FPI) installed on overhead lines
- **Layer 2:** ADMS and Geographical mapping of Distribution Network
- **Layer 3:** Command Control Centre and Disaster Recovery Centre

# Driving the world's digital energy transition

Digitisation is the new paradigm for the energy sector as it shifts rapidly towards decentralised and intermittent renewable power from a centralised and pre-dominant thermal power generation. We believe that global energy consumption is expected to increase by 40% over the next two decades. In such a situation, there is a pressing need for Indian utilities to embark on the technological advancements in the sector, to trim operational inefficiencies and create a more agile organisation. With our commitment to the 'New World of Energy', we are emphasising the need to Decentralise, Digitise and Decarbonise to navigate through the turbulent times being faced by the Indian utilities. This will help in attaining an energy infrastructure that is more efficient, sustainable, reliable, and connected.

We have developed microgrid solutions, which inherently bring new levels of flexibility to the grid. Our innovative, advanced digital solutions and services enable utilities to operate and maintain more reliable, resilient and efficient grids, enabling the smooth integration and management of distributed energy resources into the power networks. Further, our open IoT-enabled framework for the digital transformation of distribution utilities, the EcoStruxure™ platform leverages the IT/OT convergence, ensuring high efficiency in grid operations, optimal asset management and enables an overall digital transformation.

Case Study

## JSW

### Part of the $14 billion OP Jindal Group, JSW has interests in steel, cement, ports, paints, and power generation.

#### Customer requirement

- A fully automatic and one-stop-shop integrated system for their greenfield Cement, Captive Power, and Paint plants.
- A single company which has expertise over multiple domains and helps them integrate the supplied systems over Ethernet and third-party integration with Modbus and Profibus connectivity.
- A vendor which can offer Integrated Management Information System(MIS)/ Energy Management System (EMS)/Project Management System (PMS) – e-Batch with Distributed Control System (DCS).

With the best in class EcoStruxure™ platform, it was easy for us to offer the most optimal solution to fulfill the customer's requirements and much more. All the products were connected using the Ecostruxure™ configuration with Edge Control. Further analysis of data helped to create multiple dashboards giving real-time diagnostic of faults. The one-stop-shop integrated system helped the customers to maximise process uptime and reliability with Process Expert System (PES) and M580 with Blokset Panels LTMR – Intelligent Motor Control Centre (iMCC) and also a seamless integration of all layers. We also created a dedicated Cement library and PES with inbuilt MS/PMS/MIS and Batch library in Wonderware e-batch software systems.

#### Our solution

The single integrated solution with Transforms MV, Low Voltage (LV) with iMCC, Battery / Battery Charger (Complete ED Package) with Control and Automation – PES, Wonderware e-Batch with Controllers of M580 with Ethernet IO and Integrated End-to-End process hardware and software solution including LTMR -iMCC integration with 3rd party systems PLC / Equipment's like weighing and dosing system over Ethernet / Profibus and Modbus protocol.

# Stakeholder Focus

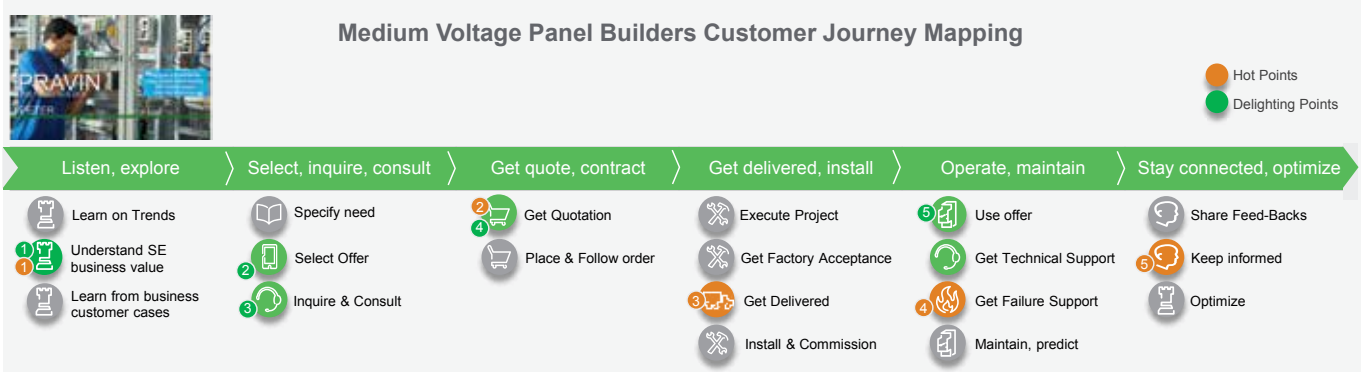
## Enhancing Customer Experience

'Customer First' is a core value at Schneider Electric and customer satisfaction continues to be at the heart of our growth strategy. For everyone at the Company, 'Customer First' means being 'Above' and 'Beyond' for our customers.

Year 2018 saw a renewed focus of our customer experience transformation journey and we continued in take initiatives in FY2020 to further cement our foundation to strengthen the customer experience. During the year, we undertook a large-scale project on Panel Builder segment through 'Customer Journey Mapping'. A cross functional team interreacted with some of our key partners in Q2 of FY2020 to understand their experience with Schneider across all touch points – Select Offer, Get Quotation, Get Delivered, Get Solution Delivered, Get Tech Support and Get Failure Support. Based on the feedback from our partners, we are working on furthering their experience in delivery improvement and failure support. We have started six sigma projects across and our teams have worked on completing the projects and we are confident that our partners will see a dramatic improvement in their experience in the mentioned areas in the current financial year.

With a continuing focus on customer experience transformation, we have set in motion actions to improve the customer care experience for our customers. We are improving our skill sets across commercial and technical support, simplifying the processes and doing customer communication for change management.

These actions during the financial year have helped us speed up our journey towards customer experience excellence and increasing customer loyalty for our products and solutions.




## Customer Connect

As part of living the 'Customer First' value, we want to surprise and delight our customers. This means that each one of the employees are continuously thinking and anticipating the needs of our customers to ensure that we can go the distance to go that extra mile which will have a positive impact on the customer's experience.

## Kerala State Electricity Board

We joined hands with the Kerala State Electricity Board (KSEB) to tackle the power outage that the state experiences during extreme, unpredictable weather conditions. We are launching the cutting-edge **EcoStruxure**™ platforms and tools that will equip KSEB with end-to-end digitisation tools to support the entire state of Kerala to counter these issues ensuring that the cities like Thiruvananthapuram, Ernakulam and Kozhikode have reliable and sufficient power for years to come.

Amara Raja PSS launch and Microgrid MOU Signing

Mr Bruno and Saibal Choudhury at DMS SCADA control centre Patna

## Award

We have an association with Bharat Heavy Electricals Limited (BHEL) for more than tewnty (20) years for our Energy Automation/Digital Energy products including Numerical Relays, SCADA, SAS and other networking solutions. We received the 'Best Vendor' award from BHEL, Bhopal. It is indeed a great honour to be evaluated the 'best' out of their 1,161 vendors.

## Virtual Factory Acceptance Test (FAT):

As another major step towards digitisation, we installed the complete system in our plant to conduct virtual Factory Acceptance Test (FAT). This has helped us to connect with our customers remotely and showcased them the virtual FAT.

## Employees

People – employees, customers, partners, investors, etc – form the bedrock for the success of your Company. Our mission is to do a great job for our customers by creating the best product and solutions and simplifying the customer experience. We believe to engage with the other stakeholders, our employees are the key. Our simple yet powerful philosophy of **'Great People will make Schneider Electric a great company'** lays down the guiding principle behind everything we do at the Company. Therefore, for Schneider, Human Resources (HR) is viewed as a strategic business partner aligned with the business requirements and plays an important role in managing, guiding and motivating the Company's workforce. Our HR philosophy, policies and strategy are structured to attract and retain the best talent that encourages innovation and creates a healthy work environment. This is in line with our ultimate ambition to generate high performance and employee engagement through world-class people practices.

To support our 2020 vision of leading "…the **new digitised energy world,** offering our Customers and Partners, **innovative connected products & solutions,** ready for the then power distribution's elevated expectations", we created 'Step Up', a company wide initiative around people's transformation. We strongly believe that Step Up with its key pillars - Well-Being, Diversity & Inclusion, Learning, Leadership, Talent Management and High Performance Culture - and the work being done within these pillars continues to strengthen our resolve in creating Schneider Electric as the best workplace for the employees even as it gives a sense of purpose to them to do their best and innovate. This is our Employee Value Proposition (EVP), our commitment to engage with existing and future talent. This combined with our core values - 'Customer First', 'Dare to Disrupt', 'Embrace Different', 'Learn Every Day' and 'Act Like Owners'– help define the way we work together.

During the year, we decided to update our People Vision in order to accelerate the transformation of our Culture and Leadership. In order to uphold the values of ethical conduct and compliance with our principles of responsibility, we ensure all employees follow a detailed training and awareness programme to familiarise themselves with the standards and expectations of ethics.

## Well-Being

We are now living a COVID-19 work and even if this is over soon, the pandemic has changed our concept of safety and well-being. We believe that for the business to thrive, we need people who have a feeling of high well-being. Well-Being creates performance and performance generates well-being. This, in turn, ensures engaged and positive employees and these works together to lead to the overall business growth of an organisation.

Our well-being programmes aim to give employees incentives, social support, tools and strategies to adopt and maintain healthy behaviours. We holistically look at well-being and have gone beyond just fitness programs as our Well-Being initiative revolves arround Physical Well-Being, Social Well-Being, Mental Well-Being and Emotional Well-Being. Some of the activities under these pillars include…

- Ensuring overall Health and Wellness of our employees through regular health camps, onsite yoga and revised insurance policies;
- Well-Being labs to encourage teams to experiment and brainstorm new actions and take steps to implement those into reality;
- Leadership involvement to demonstrating their care about well-being of our employees;

We encourage our employees to attend various global and local training programmes (in person or via webinar) to gain better insights towards topics including Mindfulness, Neuroscience of Change, Positive Psychology at Work and realising your Strengths. A robust IT platform helps us to offer the wealth of documented knowledge easily anytime and anywhere.

WELL-BEING AT SCHNEIDER ELECTRIC IS A HOLISTIC APPROACH WITH FOCUS ON 5 MAIN PILLARS

### Health & Wellness

Healthy behaviours, healthy lifestyles, and general well-being

### Flexibility at work

Working in flexible ways for a better work-life integration

### Workspace

Smart, attractive and energising workplace

### Leaders

Great and caring leaders who inspire people to adopt healthy well-being behaviours

### Organisational culture

Building a culture of well-being

## Well-Being Labs

### What do they do?

Well-Being Lab is a team of people that take the initiative to implement actions that will improve their well-being

A well-being lab can exist at size level but also at smaller team level (for example a team of colleagues from the same department, floor, open space, etc.)

Encourage individuals and teams to experiment actions to take care of their well-being

The most impactful well-being team experiments will be recognised every 6 months and the member's will be awaited

## 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 to improve 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 an 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 about 'making the mix work'

**Diversity & Inclusion → Belonging → Innovation & Performance**

| | | | |
|---|---|---|---|
| **Empowered Diversities** | • Family Leave<br>• Pay Equity<br>• Bias-Free Processes<br>• Multi-Hub | **Inclusive Behaviours** | • UN HeForShe<br>• Awards & Indices<br>• Speaking Engagements |
| • Gender<br>• Nationality<br>• Generation<br>• LGBTI<br>• Disability | **Inclusive Practices** | • Hidden Bias Education | **Advocacy** |

**50% of total hiring in 2019 were women**

## Inclusion Day @ Schneider Electric India

**Panel Discussion:** Building awareness & sensitisation on inclusion of people from different walks of society (e.g. LGBT+, Disability)

**The Generation Game Debate:** Is the Millennial Workforce really different?

Diversity for us is not just about promoting gender balance – it's about appreciating different cultures, backgrounds and generations

## Learning and Development

Development of people continues to be a key area of strategic 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 training programmes are based on development reviews held by managers addressing real and critical needs for the organisation. This not only includes technical skill-building training but also interventions and workshops of change management, culture-building and leadership.

To ensure that people managers are skilled to manage their respective teams effectively, they are offered training on 'Great Feedback and Performance Coaching'. During the year, a new module on 'Hidden Bias' was imparted to all people managers. Further, we continue to identify internal mentors and coaches to help our young professionals to hone their skills and apply their knowledge effectively.

Our internal trainer policy continues to attract people across the organisation allowing them to leverage the knowledge and experience inside Schneider in a planned and structured manner. It also helps in our stated objective of employee development.

We continue to build a culture of continuous learning, especially leveraging digital learning. We have created Champions who drive this process, resulting in a tremendous improvement in the productivity and efficiency of employees.

Sales and Marketing Assessment Workshop was conducted to gauge the development needs of all sales & marketing employees basis required competency levels and offer knowledge. Various initiatives and sessions have been planned since then with the right blend of technical knowledge, EcoStruxure™ modules, soft skills/behavioural development.

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

**50%**
of total learning has been by digital means

#Whatdidyoulearntoday during LW

Energy team winning a game during Learning week

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

## Leadership

With the launch of New People Vision, our Leadership Expectations acts 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 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.

### Leadership Expectation

**Bruno Brenard Dercle,**
Managing Director & Chief Executive Officer

"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, 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 the power systems industry when we see all the constraints our customers are facing with the development of new technologies and drastic changes in their business models."

**Arnab Roy,**
Whole-Time Director &
Chief Financial Officer

"Let's come together and be a part of the transformational journey and built a future together."

**Piyush Pandey,**
Whole-Time Director

"It is during the tough times when the 'hero' within us is revealed. In this scrimmage of "Uncertainties vs Human Spirit." It is fascinating to see how Schneider employees and associates are surmounting challenges every single day with Agility, Solidarity and Discipline. Schneider Electric's advancement in cutting edge digital technologies is effectively solving total customer concerns, be it on-site support or high quality virtual inspection (V-FAT). We also need to continue good momentum in integrating existing and new partners in our value chain efficiently."

Leadership and Employee engagement: Periodic connect of Senior leadership including the MD and CFO with employees happens throughout the year. We have created multiple platforms like workshops with the leadership team, multi-dimensional activities, etc. to ensure a continuous two-way communication process.

Leadership connect by Bruno Bernard Dercle, Managing Director

Leadership Connect: Schneider Group CEO.
SEIL leadership team

Frederic Godemel, EVP (Power System) at Elecrama

## Talent

One of our key initiatives under the '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

We empower all to make the most of their energy and resources, ensuring Life Is On everywhere, for everyone, at every moment.

Our mission is to provide energy and automation digital solutions for efficiency and sustainability.

We adhere to the highest standards of governance and ethics.

### INCLUSIVE

We want to be the most diverse, inclusive and equitable company, globally.

We value differences, and welcome people from all walks of life.

We believe in equal opportunities for everyone, everywhere.

### EMPOWERED

Freedom breeds innovation.

We believe that empowerment generates high performance, personal fulfillment and fun.

We empower our people to use their judgement, do the best for our customers, and make the most of their energy.

Our Employee mobility processes provide opportunities to all people to gain lateral and/or vertical movements across different geographies, departments, businesses and help them grow and unleash their potential. There are various engagement activities carried out throughout the year including townhalls by leaders and regular leadership communications to update business strategies.

## High Performance

Our firm belief in the High-Performance philosophy has helped create a culture where we have continuous feedback and helped to spur the business growth. We believe that employees should be responsible for their growth and have created a system that encourages ownership of each employee and manager for their respective development. We believe that contributes deeply to preserve the DNA of high-performance culture.

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

## Environment

Our plants continue to work to support in conserving the environment. During the financial year, we planted 250 plus mango trees on the factory campus. We put solar roof top panel, continued on our rainwater harvesting initiatives and ensured that the plants continue to be a zero discharge facility. Water conservation continued to be a top priority for us as we used the rejected RO water in our canteens for utensil cleaning and washrooms. Similarly, we used the Sewage Treatment Plant (STP) treated water for gardening

## Plant

Safety continued to be an important theme at our plants. Across the plants, we conducted awareness programme on safety throughout the year. Multiple programmes were conducted, led by the plant senior management, to ensure high participation from plant employees. These included 'Enhance Safety and Health Performance by use of Advanced Technologies' where employees were briefed on the importance of safety opportunity reporting through Enablon application and encouraged digital reporting of observations. Other initiatives included detailed training on Safety Strategy 2020, SAFE First, Top 5 Hazard, 5 Guiding Principles and Safety Golden Rules; mock drills on safety, etc.

Beyond Safety, Customer Satisfaction and Quality were also the main focus area for the Vadodara Plant. In the two-day workshop conducted by key business

segment leaders, they shared feedback on warranty service, CNPS and related feedback with the plant employees, along with the best practices and way forward for the year ahead.

As part of the well-being pillar, we conducted periodic medical check-up for plant employees. Further, a cancer awareness and screening camp was organised for women employees. The programme sensitised women regarding two major cancers - breast cancer and cervical cancer. Further, there was a discussion around prevention and cure and factors that contribute to cancer generation. The initiative also saw physical screening and preliminary diagnostic procedure for breast cancer. The plant also conducted workshop on Prevention of Sexual Harassment (POSH) where we sensitised people managers on how and why it is important to maintain a healthy and harassment-free work environment for women.

Our plant team continued to show their awareness and commitment towards clean environment. The employees planted more than 250 plants inside factory premises and distributed plants to employees so they could nurture them at home, as well, as they took a pledge to look after these plants as their own children. Another initiative to spread awareness about clean and safe environment was done by using environment cart where environmental-related songs were played, and employee were encouraged to give ideas to enhance awareness pertaining to environment.

We continued to provide an environment which nurtures the innovative spirit of our employees in the plant. One example was the manufacture of the battery-operated three-wheeler truck for carrying waste bins. Earlier, the housekeeping employees would have to push the bins manually and was a tiring process from them. It was also impacting the 5S process of the external area of the plant. With the manufacture of the battery-operated truck, it is not only helping the employees but also resulted in an improved 5S peripheral saving of ₹ 0.5 million per year.

## Resilience in time of Pandemic

As soon as we became aware of the COVID-19 pandemic, we immediately took precautions to ensure that employees remain safe from the dreaded virus. We implemented a seven-step plan to effectively safeguard our employees.

- We restricted all unnecessary visitors and discouraged such visitors from visiting the plant.
- We installed wash basin at the entrance gate of the plant and asked all outsiders to enter the dock only after washing their hands. Awareness campaign across the plant was done to showcase the importance of hand washing and maintaining hygiene. We used videos to explain this in various batches at the shop floor.
- We installed hand sanitiser dispensers inside the factory at different locations. Common touch points were cleaned thoroughly with disinfectant liquid and the entire plant was fumigated. To ensure social distancing, we changed the canteen seating arrangement.
- Beyond the hand washing videos, we created further awareness amongst employees by distributing soaps. To have employee participation, we encouraged employees to draw posters on COVID-19 and these were displayed inside the plant.

- We ensured that the temperature of all employees was taken twice in a day.
- We encouraged work from home for few functions and also conducted daily health survey.
- A mock drill was conducted to identify the gaps and clear actions identified for more robust action deployment.

# Management Discussion & Analysis

## Operating Environment (economy and industry – megatrends and company strategy)

### Economy

Indian economy began on a strong footing for Financial Year (FY) 2019-2020. The economy closed FY2018-2019 registering a growth of 6.7%, with a higher growth expectation for the subsequent year. However, the forecast was far removed from the realities faced by the countries during the year.

The FY began with the general elections and generally saw a lull in the economic activity during the first quarter of the FY. While the non-banking financial companies (NBFCs) liquidity crisis had been brewing for some time, it came to the fore during the year as the crisis led to choking the flow of credit to the economy, especially the MSME sector which was already suffering from the twin blows of demonetisation and the goods and services tax. Along with corporate and environmental regulatory uncertainty and poor consumer sentiment, the growth rate started slowing down leading to a downgrade by global and Indian agencies to lower the growth rate to 5.8% (IMF) for the year. To tackle the slowdown, the central bank eased policy and the government widened budget deficit goals to spur economic growth.

While the country started seeing green shoots in the 3rd quarter of the year, 4th quarter saw the spread of COVID-19 and the subsequent lockdown across the country and killing hopes of economic recovery. It is now estimated that India will grow 4.8% to 5% for the FY.

## Power sector

Energy continues to be one of the key drivers of any economy and India is no exception. Further, the respective government's commitment to providing its citizen with easy access to electricity saw the country implement a range of energy market reforms and schemes like Deendayal Upadhyaya Gram Jyoti Yojana or the Pradhan Mantri Sahaj Bijli Har Ghar Yojana.

It has carried out a huge amount of renewable electricity deployment, notably in solar energy. Even as the country is making great strides towards affordable, secure, and cleaner energy for all its citizens. According to a report released by the International Energy Agency, in association with NITI Aayog, India has seen a strong growth of renewables which accounts for almost 23% of the country's total installed capacity. The report also found that energy efficiency improvements in India avoided 15% of additional energy demand, oil and gas imports, and air pollution as well as 300 million tonnes of $CO_2$ emissions between 2000 and 2018.

**All India installed capacity status and growth in 2019-2020**

For the financial year in review, the installed capacity across all segments grew by 3.9%, slightly higher than its previous year's growth of 3.5%. As of March-end 2020, the total installed capacity of power stations in India stood at 370 Gigawatt (GW) up from 356 GW as of March-end 2019. Renewables continue to lead the segments as it added nearly 9.4 GW to the total installed capacity even as the government has set a target to produce 175 GW by 2022.

All India installed capacity status and growth in 2019-2020

| Installed Capacity | Thermal | Nuclear | Hydro | RES* | Total |
|---|---|---|---|---|---|
| March-2019(MW) | 226279 | 6780 | 45399 | 77642 | 356100 |
| March-2020(MW) | 230600 | 6780 | 45,699 | 87,028 | 370107 |
| Y0Y (% change) | 2% | 0% | 1% | 12% | 3.9% |

While Thermal continues to be the dominant form of electricity generation in India constituting about 62% of the total installed capacity, the country is still highly dependent on coal-based generation with 54% of the installed capacity. Renewable has been slowly and steadily inching up its share from 20% in 2018 to nearly 24% in 2020. Clearly, with the government support and falling solar cost, investments in renewable energy are outpacing spending on fossil fuel power generation, a sign that India is seriously committed to shifting its coal-heavy economy toward cleaner power.

Installed capacity

| Installed Capacity | Share % |
|---|---|
| Thermal | 62% |
| Nuclear | 2% |
| Hydro | 12% |
| RES* | 24% |

**Sector-wise installed capacity and growth in 2019-2020**

Sector-wise installed capacity and growth in 2019-2020 (table)

| Sectorial Split | State Sector | Pvt Sector | Central Sector | Total |
|---|---|---|---|---|
| March-2019(MW) | 1,05,076 | 1,64,428 | 86,597 | 3,56,101 |
| March-2020(MW) | 1,03,322 | 1,73,308 | 93,477 | 3,70,107 |
| Y0Y (% change) | -2% | 5% | 8% | 4% |

Private sector's investment in the industry as it inched up its installed capacity share in the country to 47% by March ending 2020, a shade up from 46% a year earlier.

Successive governments in India continue to identify the power sector as a key sector of focus to promote sustained industrial growth. Over the past few years, the country has made rapid strides in this segment as the country's rank jumped to 24 in 2018 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" ranking.

Installed capacity (graph)

| Sector-wise installed capacity | Share % |
|---|---|
| State Sector | 28% |
| Pvt Sector | 47% |
| Central Sector | 25% |

Further, the investments in new plants and increasing efficiency in existing plants along with upgrading the T&D infrastructure has seen the country reducing its energy deficit to 0.5% in FY2020 from 8.7% in FY2013. Further, the country distributed over 353 million LED bulbs to consumers under Unnati Jyoti by Affordable LEDs for All (UJALA) as of July 08, 2019.

# The country continues to attract investment in this sector. Some of the key announcements in recent times include…

NTPC announced an investment of ₹ 5 lakh million (US$ 7.26 billion) to add 10GW solar energy capacity by 2022.

Brookfield to invest US$ 800 million in ReNew Power.

In September 2019, Adani Transmission planned to acquire the entire stake in Bikaner Khetri Transmission.

Government plans to establish a renewable energy capacity of 500 GW by 2030.

The Union Budget 2020-2021 has allocated ₹ 158,750 million (US$ 2.27 billion) to the Ministry of Power and ₹ 55,000 million (US$ 786.95 million) towards the DeenDayal Upadhyay Gram Jyoti Yojana (DDUGJY).

On its part, the government is focussed on the power sector. Few initiatives by the Government of India to boost the Indian power sector includes…

ReNew Power and Shapoorji Pallonji will invest nearly ₹ 7,500 million (US$ 0.11 billion) in a 150 megawatt (MW) floating solar power project in Uttar Pradesh.

The Government of India is expected to offer nearly 20 power transmission projects worth ₹ 160,000 million (US$ 2.22 billion) for bidding in 2019.

Ujjwal DISCOM 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 FY2019.

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022.

# Company Performance

## Mining, Minerals and Metals (MMM)

With a clear commitment of the MMM segment to lead the digital future, drive profitable growth and increase the Company's leadership in end-user segments, the division has continuously invested to build account management excellence and creating unique value propositions for our customers.

During the year, the segment targeted key cement and steel companies with its EcoStruxure™ campaign. We reached out to companies like JSW Steel, Tata Steel, SAIL, Saint Gobain, Penna, Ultratech, Holcim, Vedanta and Hindalco among other companies. Given its earlier success with Tata Steel, Dalmia, JSW Steel and RINL, the Company reached out to other targeted companies by sharing the EcoStruxure™ success story in these companies. During the year, the MMM business saw significant wins including JK Cement for the integrated one-stop solution of its greenfield cement plant, Rourkela Steel plant for the design based-turnkey project for setting the 33 KV GIS solution in its Captive Power Plant. The team was able to demonstrate that the Company could create differentiation by value-added engineering like beam cutting instead of considering dummy panels.

While the business saw good gains during the first three quarters of the financial year, the spread of COVID-19 and the subsequent countrywide lockdown from March 25, 2020, significantly impacted the business' ability to service orders and close the financial year.

## Power and Grid Companies –smart city/offering

The sustainability need is putting immense pressure on cities across the globe to invest in making their cities smart. Adding to the woes of the cities are an ageing city infrastructure and with limited budgets, they can only invest in creating new infrastructure slowly but have to focus on maintaining, optimising and improving reliability and connectivity of ageing city systems. We provide the entire platform, solution and service to make cities smart and our ExoStruxure platform have solutions for smart energy, water and wastewater management. We also have solutions to create a smart environment with the EcoStruxure™ Building solution which brings best-in-class engineering efficiency to your building. Combined with our asset and energy performance services, we enable lifetime efficiency of your building ensuring productivity and comfort for occupants.

During the year, we joined hands with Nava Raipur in the state of Chhattisgarh to make it India's first integrated greenfield smart city. We will be executing the entire

gamut of integrated Command and Control Centre and its overall integration covering transportation, surveillance, citizen applications, end-to-end Smart Grid solutions, end-to-end water management system and integrated building management system.

Also, in early 2020, our parent Schneider Electric was selected as the winner of the "Overall Smart City Solution of the Year" award for its EcoStruxure™ Workplace Advisor solution by IoT Breakthrough, a leading market intelligence organisation that recognises the top companies, technologies and products in the global Internet-of-Things (IoT) market. This highlights the best-in-class solutions available in our portfolio to service the Indian market.

## Mobility

We are in the midst of an unprecedented change in the transportation/mobility sector and witnessing a new mobility era. We are seeing a combination of new paradigms like electrification of transportation systems, shared mobility (transportation as a service models with Uber and Ola), connected cars, autonomous driving and smart Electric Vehicle (EV) charging networks. The push towards the new mobility era is both from the governments and citizens in their big to lower the planet's carbon footprint. Automobile manufacturers are being forced to respond to the new paradigm and increasing investment in design and deployment of electrification and digitisation technologies across their organisations.

Our globally deployed solutions for the mobility sector are helping our customers gain competitive advantage across their entire lifecycle of the product starting from manufacturing in factories to ensuring the delivery of the product to the customer to engaging with the customer and finally managing the end life of the product. We engage with our customers to help them in their digital transformation for future proofing the organisation by creating an agile, flexible IT Infrastructure. Our solutions help the automotive companies to build the right infrastructure from enabling electrification strategies to smart retail or digital dealerships.

## Services

Services is at the heart of our business model and strategy. Our service portfolio provides the customer with comprehensive power, automation, and control, and building life cycle service solutions, helping them to enhance efficiency, increase productivity, and uptime throughout the lifecycle of their electrical assets… directly impacting the bottom-line of our customers. Leveraging on our global resources and learning, we help our customers with the optimal solutions at the best cost and help their processes and infrastructure at peak performance, anywhere and anytime. To understand the customer need, we offer complete installation lifecycle and our portfolio includes stages: **Plan** (energy audit, power quality audits, reliability consulting and power system analysis and assessments), **Install** (ensure expert installation), **Testing and Commissioning** (of our equipment), **Operate** (comprehensive maintenance contracts, warranty extensions, classroom training, and E-learning programmes and diagnosis), **Optimise** (Preventive and Predictive Asset Management using our Ecostruxure™ Platform), **Renew** (retrofitting, upgrading with smart sensors, extension, and revamping).

In our vision for Digitisation and providing peace of mind to our customers, our asset connect solution helps our customers to upgrade their installation with smart sensors transforming their non-communicable aging assets into connected products which also enable them to hook on to our EcoStruxure™ IoT platform. Offers such as EcoStruxure™ Asset Advisor (Remote Monitoring Service) that monitor our customers' critical equipment 24/7, it helps to predict and prevent failures before it happens, allowing the customers the ability to move from a reactive approach to a proactive, condition-based, maintenance approach.

To effectively deliver our wide range of services, we have a Pan-India presence of dedicated services engineers, authorised service centres, and specialised channel partners, who cater to all the legacy and current brands of our Company and quickly respond to customer calls. Our 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 meet the 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 take us ahead of the curve. Composition of services business and the business model employed makes it very attractive in terms of return on capital employed and enhancing customer satisfaction.

Our Services business has set the benchmark in the field of electrical distribution by obtaining the BVQI's IMS certification comprising of ISO9001:2008 and ISO14001: 2004, and also BS OHSAS 18001:2007 for maintenance services, the supply of spares, design, engineering, supply, installation, testing and commissioning of retrofit solutions and MV/LV revamp project.

# Financial Review

The last quarter of the FY saw a major impact effecting the annual results. While COVID-19 lockdown in India happened in late March 2020, the disruption had started earlier beginning from late January. This resulted in a de-growth of about 20% in Q4 sales and had a direct impact on the FY2020 result as we closed the year with a sales of ₹ 13,844 million as compared to ₹ 13,903 million for FY2019. This also impacted the bottom line which closed at a loss of ₹ 296 million against the previous year loss of ₹ 244 million.

## Major Solution Business Milestones of Your Company in 2019-2020

We won several major orders during the financial year in the turnkey project business segment. Some of the key wins are mentioned below.

» Design, Supply and Supervision of Erection, Testing and Commissioning of…
  - 2 E Houses with MV and LV Switchboards and associated equipment for **Air Product Limited's** Oil & Gas Project at Sonatrach, Algeria.
  - 1 E House project from **Yamuna Power Limited** for 33/11KV Substation projects at Karnal at Uttar Haryana under Uttar Haryana Bijli Vitran Nigam Limited.
  - 1 E House project from **Galaxy Concab (I) Pvt. Limited** for 33/11KV Substation projects at Panipat at Uttar Haryana under Uttar Haryana Bijli Vitran Nigam Limited.
  - 2 E Houses project from **TnT Limited** for each of 33/11KV Substation projects at Dhankheti and Jowai at Meghalaya under Meghalaya Electric Power Distribution Limited.

» Design, Supply, Installation, Testing and Commissioning of…
  - 4 E Houses with 33KV, 11KV Switchboards, Power Transformers, and associated equipment for **South Bihar Power Distribution Limited's** 33/11KV Substation projects at different locations around Patna, Bihar.
  - 2 E Houses with 33KV, 11KV Switchboards, Power Transformers and associated equipment for North Bihar Power Distribution Limited's 33/11KV Substation projects one each at Samastipurand Muzaffarpur, Bihar.

» Nestle Sanand Noodle Line Project: An order from Nestle India Pvt Limited for Design, Supply, Installation, Testing and Commissioning of 11/0.433KV Substation and Electrical Distribution system along with Asset Connect on the digital platform, and with associated equipment for their New Noodle Line projects at Sanand, Gujarat.

» Hindustan Petroleum Corporation Limited, Mumbai: An order for Supply, Installation, Testing and Commissioning of Integrated IEC61850 Electrical Monitoring, and Control Systems along with Asset Management System for 24 Substations at their Mumbai Refinery.

» L&T Hydrocarbon Engineering Limited: Order for Supply, Supervision of Testing and Commissioning of Power Management system and integration of various Substations for Ethylene Glycol Project of Indian Oil Limited, Paradip Refinery.

» Sterling & Wilson Private Limited, Mumbai: An order for Supply, Supervision of Installation, Testing and Commissioning of Remote Terminal Units' and SCADA for monitor and control of 33KV Auxiliary Supply for Elevated corridor of Dahisar(E) to DN Nagar (17 Stations, 18.59 KM) stretch of Mumbai Metro.

## Major Execution during the year

**Adani Electricity Mumbai Ltd.:** Executed the order for Design, Engineering, Supply, Erection, Testing and Commissioning of E House project as 2x20MVA, 33/11KV SS for Sahakar Nagar Site in Mumbai.

**Hyosung T&D India Pvt. Ltd.: 132/6.6KV, 2X25 MVA GIS Substation, Aurangabad:** Executed the project involving Engineering, Supply, Erection, Testing and Commissioning of 132/6.6KV, 2x25 MVA GIS Substation.

**UltraTech Cement Ltd.: 132KV LILO Switchyard – Patliputra, Patna:** Executed the project of Design, Engineering, Supply, Erection, Testing and Commissioning of 132KV switchyard having a LILO Bay & One 20/25 MVA Power Transformer Bay along with & 6.6 KV Substation and associated equipment.

**EDF India Pvt Ltd.:** Currently executing a pilot project by EESL for State Utilities / Discoms involving Design, Supply, Implementation, Integration, Commissioning, Operation and Maintenance of Advanced Metering Infrastructure (AMI) solution for 5 million Smart Electricity Meters with GPRS-based communication module for PAN India.

**JSW Steel Ltd., E House, Bellary, Karnataka:**
Project for the implementation of 1st E-house for 13 MTPA and 18 MTPA Phase-1 Expansion at JSW Vijayanagar Plant, Bellay, Karnataka involving Design, Engineering, Manufacturing, Supply, Erection, Testing & Commissioning of 33KV GIS with E-House. The project is in its final stages of completion for a successful handover to the Customer.

**Mangalore Refinery and Petrochemicals Ltd. (MRPL).: 33KV GIS for BS-VI Projects at Mangalore Refinery** The Company is executing a project for Design, Manufacture, Supply, Testing and Commissioning of 33KV GIS for BS-VI Projects at Mangalore Refinery and Petrochemicals Ltd. The project is currently in the last stages of execution and is expected to be successfully handed over to the customer in the coming months.

**Mumbai Rail Project A/c Mavin Switchgears and Control Pvt. Ltd..: CRP and SCADA System**
The Company has been awarded to Supply and Commissioning of CRP, and SCADA system for 110KV Cum – 25KV Traction Cum -33KV Axillary Main Substation at two Location DN Nagar & Charkop depot. We have conducted a factory acceptance test and supplied the material. At present, the customer is erecting the equipment.

**Metro Rail Project of MMRDA A/c Sterling and Wilson Pvt. Ltd.: RTU SCADA System** The Company has been awarded for the supply of RTU & SCADA for Mumbai Metro Line 2A- Dahisar East (0-204.848) to DN Nagar (17.550) of Metro Rail Project of MMRDA. We have conducted a factory acceptance test and supply the material. The erection activities of the equipment are in progress.

# Risk Review

## Vadodara Flood

Vadodara, in the state of Gujarat, saw heavy rains in July–August 2019. On July 31, 2019, the city saw nearly 50 cm of rainfall within 12 hours. As a result, the nearby dam overflowed and flooded the city.

This impacted the operations of our Switchgear factory in the city and it took us time to stabilise the operations. We lost nearly two weeks due to shut down of the plant and another two weeks to normalise the situation. This impacted our Q2 sales as we could not execute many orders and projects. Consequently, we filed two claims for property damage claim and business interruption of ₹ 224 million.

## COVID-19

While India saw the lockdown due to COVID-19 from March 25, 2020 businesses across the country saw the impact from the beginning of the month. However, your Company started seeing the impact of the China lock down from the January 2020 itself as they started a wait and watch approach. We saw a complete lull in our business in the month of March 2020 which continues to date. While it will impact our full year revenues as March is usually the month where we close large volumes of our orders due to closing of the financial year. Also the limping back on normalcy can have a significant impact to our business in India.

In this time of uncertainty, our focus was to create a trusted source and a one stop for reliable information for all employees. During the crisis, the leaders stepped forward to communicate clearly and compassionately with our people. As part of an effective communication practice, our actions included—all employee communication and site-specific communication; messaging around engagement and well-being; learning and COVID-19 related developments; and regular COVID-19 updates on SPICE India. Acknowledging our heroes and highlighting customer wins, were part of our actions to encourage and inspire our employees.

Our efforts to nurture dialogue, provide resilience and establish trust with our people yielded positive results. At territory level, we added 62K+ learning hours through 467 virtual sessions and MLL playlists, including 1031 sales people trained. Conducted 233 external webinars; engaged 2349 partners and customers; and 19,000+ participants (customers and channels) attended digital training and webinar sessions.

# Internal Control and Risk Management Policy

This information is covered as part of Board's Report which forms part of this Annual Report.

# Outlook

Post the COVID-19 pandemic, India along with the other countries across the globe will see a crushing blow on their respective economies. While, as of date, India is slowly allowing some economic activity, experts estimate that getting the economy moving will take some time. Companies will have to get their entire supply chain started and this will hurt the companies' growth outlook along with that of the country. The International Monetary Fund (IMF) has warned that the repercussion of COVID-19 will be akin to the "worst recession since the Great Depression" and will dwarf the economic damage caused by the global financial crisis a decade back. However, the silver lining was that India and China would be the only two major economies likely to register growth, with all others contracting. Nevertheless, IMF along with other rating agencies have sharply slashed India's growth estimate for FY2021 to 1.9% from 5.8% estimated in January. As companies grapple with the twin shocks of a health crisis and a global recession, they will look at conserving 'cash' and this is expected to lead to a decline in fresh investments.

Across the globe, governments are putting in place stimulus packages to support companies in their countries. India has also announced an ₹ 2 million crore stimulus package in May 2020 in a bid to spur domestic demand and boost the economy. The combined package works out to roughly 10% of the GDP, making it among the most substantial in the world after the financial packages announced by the United States (13%) and Japan (21%). The stimulus package focuses on tax breaks for small businesses as well as incentives for domestic manufacturing. Further, proposals such as giving full tax exemption to companies making new investment of a minimum threshold in sectors such as medical devices, electronics, telecom equipment and capital goods was said to be under consideration of the government. Investments in infrastructure may also form part of the package.

We hope that the heavy spends on public relief and fighting the pandemic does not limit the ability of the government to spend heavily on Capex. Nevertheless, we feel that segments like MMM, Electric companies, Automotive and Transportation are likely to be under pressure in FY2021.

# Events

**Elecrama**

We showcased our portfolio of sustainable and digital solutions for the new world of electricity at the 14th edition of ELECRAMA 2020, the largest congregation of power sector ecosystem in the country. Committed towards powering and digitising the economy, the company had showcased its state-of-the-art technologies across various electro-intensive and electro-sensitive market segments such as Connected Grid, Smart City, MMM, Transportation, Residential, Real Estate, Data Centre, Hotels, Healthcare, WWW, Manufacturing and Services.

For the very first time, as a part of ELECRAMA 2020, Schneider Electric had also organised a Thought Leadership Theatre (TLT), with TED-style talks and panel discussions. The TLT showcased discussions with Schneider Electric global and India leaders along with industry experts around critical issues including Cybersecurity, Circular Economy, Digital Buildings, Sustainability, SF6-Free technology and more. Through these sessions, the Company aimed to provide insights into emerging technologies, innovation, climate crisis. It also helped in understanding the impact of digitisation on the economy and the new world of electricity.

Schneider Electric won the first prize for the 'Best Stall Design' for booths across all the businesses exhibiting at Elecrama.

On the Day 4, at the TLT, the Company kicked off with a discussion between Frederic Godemel, EVP, Power Systems, Schneider Electric & Ponniah Sankarakumar, Director, Power Systems, Schneider Electric India on a new world of energy, decarbonisation, and what the future holds in terms of efficient energy use and consumption.

They shared their insights into how our industry is transforming, and environmental concern is at the heart of this sector. Being one of the powerful GHGs that contributes to global warming, at Schneider Electric, we have developed SF6-free switchgear for medium voltage. With our pledge to go SF6-free completely by 2025, we are making a cause towards green energy, efficiency and sustainability.

**Introducing the SF6-free medium-voltage switching technology in India**

SulfurHexafluoride (SF6) is one of the most potent greenhouse gas and we have been working on creating alternative to SF6 in our switching technology. Our R&D has been working on creating SF6-free products and have achieved major technology breakthrough in creating the switchgears of the future.

These new switchgears are sustainable and digital as they use pure air instead of SF6 gas and allow users to take full advantage of digital features to unlock the value of data. Our products have an innovative shunt vacuum interruption technology associated with pure air insulation. The combination enables the replacement of SF6 while maintaining a small footprint and cost-effectiveness.

Importantly, the new SF6-free medium-voltage switching technology achieves a level of cost efficiency that is crucial for the industry and vital for the widespread adoption of more sustainable equipment in the field.

In our journey to bring sustainability in our products, we have started deploying SF6 free medium voltage switching technology across the globe, including India.

# Board's Report

# Board's Report

Dear Members,

Your Directors take pleasure in presenting the 10th Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended March 31, 2020.

## Financial Results

(₹ in million*)

| | Financial Year 2019-2020 | Financial Year 2018-2019 |
|---|---|---|
| Sales and Services (Net) | 13,844 | 13,903 |
| EBITDA | 390 | 738 |
| (As percentage of net sales) | 2.82% | 5.30% |
| Depreciation | 218 | 258 |
| EBIT | 172 | 480 |
| Interest, net | 481 | 444 |
| Restructuring | (14) | 280 |
| Profit after tax (as per financials) | (296) | (244) |

* Figures rounded off to nearest one.

## Company's Financial performance and state of the affairs

The Operating Revenue of the Company was at ₹ 13,844 million in financial year ended on March 31, 2020, compared to ₹ 13,903 million in financial year 2018-2019. The Profit/(loss) after tax in financial year 2019-2020 was at ₹ (296) million compared to loss of ₹ (244) million in the previous year.

For further update on performance of the Company in Financial Year 2019-2020, please refer to Management Discussion and Analysis Report, forming part of this Annual Report.

**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/annualreportsandfinancials.

## Dividend and Dividend Distribution Policy

No dividend has been declared by the Directors for the year ended March 31, 2020, owing to losses.

Your Company has formulated Dividend Distribution Policy ('the Policy') in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and any amendments thereto, for bringing transparency in the matter of declaration of dividend and to protect the interest of investors.

The Policy is annexed to this report as **Annexure I** and is also available on the website of the Company at https://infra.schneider-electric.co.in/supervision/images/policies/policies7LWFvGw5Nh.pdf

## Reserves

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

## Share Capital

During the year, there has been no change in the Share Capital of the Company and the paid-up share capital is ₹ 2,19,82,08,070/- as on March 31, 2020. The share capital comprises of 239,104,035 equity shares of ₹ 2 each and 172,000,000 8% non-convertible preference shares of ₹ 10 each.

## Extract of Annual Return

As per the requirements of Section 92(3) of the Companies Act, 2013 ("the Act") and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is annexed as **Annexure II** to this Report.

## Directors

At the year ended March 31, 2020, the Board has 9 (nine) Directors, comprising of 2 (two) Executive Directors, 3 (three) Non-Executive Directors and 4 (four) Independent Directors including a Woman Independent Director.

The year under review saw the following changes to the Board composition:

**Appointment(s)**

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

- approved the appointment of Ms. Namrata Kaul (DIN: 00994532), as an Additional Non-Executive Independent Woman Director for a period of 3 (three) years w.e.f. November 6, 2019 who holds office upto the date of the 10th Annual General Meeting ('AGM');

  The appointment of Ms. Namrata Kaul is subject to the approval of the Members at this AGM.

- appointed Ms. Geeta Mathur (DIN: 02139552) as Independent Director of the Company w.e.f. April 1, 2019, for a term of 3 (three) years, however she resigned w.e.f. September 9, 2019 on account of potential conflict of interest. The details are also captured in the Corporate Governance Report forming part of this Annual Report. The said appointment and subsequent resignation were apprised to the member in 9th AGM held on September 12, 2019.

- appointed Mr. Piyush Pandey (DIN: 08451135), as Whole-Time Director in professional capacity for a period of 3 (three) years w.e.f. May 22, 2019. The said appointment was confirmed by the Members at the 9th AGM held on September 12, 2019.

After closure of the financial year and as on the date of this Report, the Board, on the recommendation of NRC, approved appointment of Mr. Arnab Roy (DIN: 02522674), as Whole-Time Director in professional capacity for a period of 3 (three) years w.e.f. June 16, 2020 who holds office upto the date of the 10th AGM.

The appointment of Mr. Arnab Roy is subject to the approval of the Members at this 10th AGM.

In terms of provisions of the Act and the Listing Regulations, NRC has identified list of core skills, expertise and competencies required for a person to possess in order to be selected as a Board member. The NRC also focuses on the qualification and competence of the person, professional experience, the positive attributes, standards of integrity, ethical behaviour and independent judgement of the person in selecting a new Board member.

**Re-appointment(s)**

In accordance with the provisions of Act and the Articles of Association of the Company, Ms. Bidisha Nagaraj (DIN: 08080159), Non-Executive Director, is retiring by rotation and, being eligible, has offered herself for re-appointment. The Board recommends her re-appointment.

Brief profiles of Ms. Namrata Kaul, Ms. Bidisha Nagaraj and Mr. Arnab Roy along with the disclosures required pursuant to the Listing Regulations and the Act are provided for attention of the Members in the Notice of the 10th AGM.

In case of re-appointment of Non-Executive Director, NRC and the Board takes into consideration, the performance of the Director based on the Board evaluation and his/her engagement level during their previous tenure.

**Cessation(s)**

Mr. Vivek Sarwate resigned from the position of Whole-Time Director w.e.f. May 22, 2019 and the said change was informed to the members as part of the Directors Report for financial year 2018-19.

Ms. Geeta Mathur resigned from the position of Independent Director w.e.f. close of business hours of September 09, 2019 due to potential conflict of interest.

Board places on record its appreciation for the valuable services rendered by Mr. Sarwate and Ms. Mathur during their respective tenures.

## Number of Board Meetings

The Board of Directors of the Company met 4 (four) times during the financial year 2019-2020. For further details, please refer to Report on Corporate Governance, which forms a part of this Annual Report. The gap intervening between two meetings of the Board is within the time prescribed under the Act and the Listing Regulations.

## Declaration of Independence by Independent Directors

The Company has received necessary declaration from the Independent Directors confirming that they meet the criteria of independence as laid out under Section 149(6) of Act and as per the Listing Regulations.

## Key Managerial Personnel(s) (KMPs)

During the year under review, the Company appointed Mr. Piyush Pandey as Whole-Time Director w.e.f. May 22, 2019 and designated him as the KMP under Section 203 of the Act.

Mr. Vivek Sarwate ceased to be a director of the Company and accordingly relinquished his position

of KMP w.e.f May 22, 2019. The following Directors/ Executives are KMPs of the Company during the FY 2019-2020 and till date of this report:

- Mr. Bruno Bernard Dercle, Managing Director and Chief Executive Officer;
- Mr. Piyush Pandey, Whole-Time Director;
- Mr. Arnab Roy, Whole-Time Director & Chief Financial Officer;
- Ms. Bhumika Sood, Company Secretary and Compliance Officer.

As part of comprehensive succession planning, the Board of Directors in its meeting held on April 29, 2020 approved appointment of Mr. Mayank Holani as Chief Financial Officer (CFO) of the Company to be effective from September 9, 2020 in place of Mr. Arnab Roy who is presently Whole-Time Director & Chief Financial Officer of the Company and shall hold office as CFO till the conclusion of the 10th AGM of the Company scheduled on September 8, 2020. Mr. Roy would step down as CFO and shall be moving to different role internally in the Company.

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

The Company has devised a formal process for annual evaluation of performance of the Board, its Committees, Chairman and Individual Directors ("Board Evaluation") which include criteria for performance evaluation of non-executive directors and executive directors as laid down by the NRC and the Board of Directors of the Company.

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

The outcome of the Board Evaluation was discussed by the NRC and the Board at their respective meetings held on June 16, 2020.

A detailed update on the Board Evaluation is provided in the Corporate Governance Report, forming part of this Annual Report.

## Remuneration Policy

Your Company follows a compensation mix of fixed pay, benefits and performance based variable pay, which is paid based on the business performance and goals of the Company.

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 Board has, on the recommendation of NRC, framed a policy on remuneration to be paid to directors, key managerial personnel and other employees and criteria for appointment of directors.

During the year under review, there have been no changes to the policy. The policy is available on the website of the Company at https://infra.schneider-electric.co.in/supervision/images/policies/policiesi9nEqpDA7e.pdf.

## 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:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders Relationship Committee
5. Risk Management Committee

In addition, the Board has constituted Finance and Banking 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, and employees of the Company and the same can be accessed using the following link: https://infra.schneider-electric.co.in/investor/codeofconduct.

## Related Party Transactions

In line with the requirements of the Act and the Listing Regulations, all related party transactions entered during the year were on arm's length basis and in the ordinary course of business. No material related party transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. 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.

All related party transactions were entered into with the prior approval of the Audit Committee and omnibus approval was obtained for unforeseeable 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.

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

## Deposits

Your Company had no opening balance of Deposits. Further, 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, or guarantees or provided any security on guarantees nor made any investments 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 and Foreign Exchange Earnings & Outgo, as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as **Annexure III** to this Report.

## Particulars of Employees and Remuneration

The statement of disclosure pertaining to remuneration and other details as required under Section 197 of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and annexed as **Annexure IV** to this Report.

In terms of Section 136 of the Act, the said annexure shall be available for inspection electronically only, pursuant to the prevailing situation caused by COVID19.

## Auditors

## Statutory Auditors

The report given by the Auditors on the Financial Statements of the Company for financial year 2019-2020 forms part of this Annual Report. There has been no qualification, reservation, adverse remarks or disclaimer given by the Auditor in their report except on 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.

Further, the Auditors Report being self-explanatory does not call for any further comments from the Board of Directors.

During the year under the review, no instances of fraud has been reported by the Statutory Auditors under Section 143(12) of the Act and the rules framed thereunder, neither to the Company nor to the Central Government.

Further the members are informed that M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), were appointed as Statutory Auditors of the Company since inception. After commencement of the Companies Act, 2013, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors by the members in the 5th (fifth) Annual General Meeting (AGM) held on August 11, 2015 to hold office for a period of 5 (five) years upto the conclusion of 10th (tenth) AGM and accordingly, they would retire at the conclusion of this AGM.

Since, M/s. S.R. Batliboi & Co. LLP, has completed two terms of 5 (five) consecutive years, in terms of Section 139(2) of the Act read with the Companies (Audit and Auditors) Rules, 2014 they are not eligible for re-appointment.

Accordingly, as per the said requirements of the Act, your Board of Directors at their meeting held on June 16, 2020, after considering the recommendations of the Audit Committee, had recommended the appointment of M/s. S N Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N/ N500045) as statutory auditors of the Company, for a period of 5 (five) years, commencing from the conclusion of 10th (tenth) AGM till the conclusion of the 15th (fifteenth) AGM, for approval of the Members.

They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limit under the Act and that they are not disqualified for appointment.

A resolution proposing appointment of M/s. S N Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N/ N500045), as Statutory Auditors of the Company pursuant to Section 139 of the Act, forms part of the Notice for this 10th AGM.

## 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, your 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, 2020.

On the recommendation of the Audit Committee, the Board of Directors have 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 10th 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, is 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, as recommended by the Audit Committee and approved by the Board, forms part of the Notice of the 10th AGM and same is recommended for your consideration.

The Company filed the Cost Audit Report for financial year 2018-2019 with the Registrar of Companies on September 18, 2019, 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 2019-2020 as required under Section 204 of the Act and Rules made thereunder. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer and is attached as **Annexure V** to this Report.

The Board has re-appointed M/s Sanjay Grover and Associates, as Secretarial Auditors for the financial year 2020-2021.

## 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 under separate section in this Annual Report.

## Whistle Blower Policy/ 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, with multiple language options 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.

Your Company investigates such complaints speedily, confidentially and in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always maintained. 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 forming part of this Annual Report and the whistle-blower Policy is available on Company's website at 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 for the financial year ended March 31, 2020, 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, 2020 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; and

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.

## 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 to requirements of the Act, the Company has developed and implemented Risk Management Policy, emphasizing on assessment procedures for risk minimization. These procedures are periodically reviewed to ensure that the executive management controls risk through means of a properly defined framework, which is in line with best practices of current risk management.

Risk can be referred to as the chances of having an unexpected or negative outcome. Any action or activity that leads to loss of any type can be termed as risk. There are different types of risks that an organisation might face and needs to overcome. Risks can be classified into three types: Business Risk, Non-Business Risk and Financial Risk. The primary objective of our risk assessment policy is to assess the level of impact from such negative outcome and the measures required to cover the organisation from such risks.

Also, in compliance to the Listing Regulations, the Board has constituted a Risk Management Committee to ensure that current Risk Management Policy achieves the objectives of operational efficiency and effectiveness, informed decision making, protection of people and assets and compliance with applicable laws and regulations. The details of the same are available in 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 an Internal Control System, commensurate with the size, scale and complexity of its operations. The Board appointed Mr. Anurag Bothra as Internal Auditor of the Company to conduct the Internal Audit for the financial year 2019-2020.

In compliance to requirements of the Act, your Company has put in place, an independent and objective inhouse internal audit department designed to provide reasonable assurance with regards to the effectiveness and adequacy of the internal control system, processes and reliability of financial reporting. The in-house internal audit department, along with third party audit firms, provides audit assurance and consulting activities designed to add value and improve the Company's end to end processes through a systematic disciplined approach, from inception, through fieldwork to final reporting. All five essential components of Commitee of Sponsoring Organisation (COSO) frame-work i.e. control environment, risk assessment, control activities, information-communication and monitoring are considered while defining the control objective, as the intent is to ensure adherence to Company defined guidelines along with value addition through improvement in existing Company processes.

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. The audit plan for the year is based on business risk and Internal Control assessment, which is approved by the Audit Committee.

Also, as per requirements of the Act, a detailed internal financial control framework had been documented through Risk & Control Matrix (RCMs). These RCMs are reviewed and updated on an annual basis for any change in control over existing practices and procedures. Controls are further bifurcated into key and non-key controls based on business impact and 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.

On review of the internal audit observations, the Company confirms 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 process of taking corrective action in this regard.

## Prevention of Sexual Harassment at Work Place

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace.

Pursuant to the above provisions, the Company has constituted Internal Complaints Committees (ICCs) for every location where it operates which 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 familiarization 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, the Company received 2 (two) complaints, out of which one was closed appropriately to the satisfaction of parties and the other matter is under investigation.

## Transfer of Unclaimed Dividend & Shares in favor of Investor Education and Protection Fund (IEPF) Authority

In adherence to the provisions of section 125 the Act, read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 the ("IEPF Rules"), the shares on which dividends have not been claimed for 7 (seven) consecutive years have been transferred in favor of IEPF Authority, during the financial year 2019-2020.

Your Company duly followed the procedure for transfer of shares as laid under the Act, the Listing Regulations and IEPF Rules and had sent the notices to the respective shareholders who have not claimed their dividend for the last 7 (seven) consecutive years.

Further, Dividends that were unclaimed for a period of 7 (seven) consecutive years were also transferred to the IEPF Authority in accordance with the provisions of the Act.

The details of the unclaimed dividends and shares transferred to IEPF during the year 2019-2020 are as follows:

| Financial Year | Amount of unclaimed dividend transferred (in ₹) | Number of unclaimed shares transferred |
|---|---|---|
| 2011-12 | 843,224 | 1,460,797 |
| **Total** | **843,224** | **1,460,797** |

## Code of Conduct for Prevention of Insider Trading

During the year, your Company has amended the Code of Conduct for Prevention of Insider Trading ("Code") in accordance with SEBI (Prohibition of Insider Trading) (Second & Third Amendment) Regulations, 2019. The amended Code is uploaded on the website of the Company and can be accessed at https://infra.schneider_electric.com/supervision/images/policies/policies604ehirnNG.pdf

## 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 this Annual Report.

## Corporate Social Responsibility (CSR)

The Company is not required to spend any amount towards the mandatory CSR spend under the Act, since the Company has been at a loss, at an average, for last 3 (three) financial years.

However, we, as Schneider Group ("Group"), believe that sustainability is business. We practice sustainability in our business, in our consumption of resources and also in our efforts of giving back to society through our Corporate Social Responsibility. Along with compliance to Section 135 of the Act, we also align our programs to contribute to UN set Sustainable Development Goals 2030 ("SDG").

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 comprising of the following Director as members:

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

The statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as **Annexure VI**.

In the financial year 2019-2020, Schneider Electric India Foundation (SEIF), an umbrella entity for all group business entities in India for CSR initiatives, trained 21,265 unemployed youth including 1,123 females and trained 153 trainers, 184 entrepreneurs to start their journey in energy profession through SEIF's skill development program spread across 26 states including aspirational districts. SEIF contributed to SDG 1 of 'No Poverty', SDG 2 of 'Zero Hunger'; SDG 8 of 'Decent Work and Economic Growth'.

Through Rural Electrification program, the Group was able to provide access to 8,165 households to clean and safe energy solution, benefitting 40,825 individuals across country including difficult, disturbed and aspirational districts like Gumla, Khunti in Jharkhand, Nabrangpur, Kalahandi, Rayagada in Odisha.

The Group installed 178 sets of solar water pumps which served 3,379 farmers under 'Energy for Livelihood' project, which is a pilot project, undertaken in very remote villages of Jharkhand and Odisha to run agricultural loads like water pumps, rice husking, sugarcane crushing etc. with the help of solar energy. The project impacted the community many-folds by reducing manual labor, increasing agricultural output and hence income. The vision of the program is aligned with SDG 7 of 'Affordable and clean energy'.

To build energy and environment conscious future and as contribution towards SDG 13 of 'Climate Action', the Group sensitized 6,534 school children, future leaders of tomorrow through our Conserve My Planet program across 5 cities of Delhi, Mumbai, Kolkata, Hyderabad and Chennai who further reached out to 23,959 adults in society for sensitization about conservation of energy and environment.

Our Group efforts provided 61 scholarships to meritorious engineering and diploma graduates from underprivileged background in financial year 2019-2020 contributing to SDG 10 of 'Reduced Inequalities'.

Under emergency support program, the Group extended support to restore electric power supply in Puri, Odisha after Fani Cyclone hit the coast in May 2019.

Our Group encouraged in-house employees to participate in all the above initiatives and contribute in their own ways for the society.

The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company. The Company's policy on Corporate Social Responsibility can be accessed at https://infra.schneider-electric.co.in/supervision/images/policies/policies YmdxzoUFKA.pdf.

## Business Responsibility Report

Your Company has embedded in its core business philosophy, the vision of societal welfare and environmental protection. In compliance with Regulation 34(2)(f) of the Listing Regulations, your Company has included Business Responsibility Report, as part of this 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 Board also immensely thank all the Departments of Government of India, the various ministries of the state governments, the central and state electricity regulatory authorities, tax authorities, 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 and look forward to their continued support in the future.

Finally, we place on record our appreciation of the contributions made by all our employees at all levels and their families for making the Company what it is.

On behalf of the Board of Directors,
**For Schneider Electric Infrastructure Limited**

**Vinod Kumar Dhall**
**Chairman**
**DIN: 02591373**
Date: June 16, 2020
Place: Noida

**ANNEXURE I**

# DIVIDEND DISTRIBUTION POLICY

(Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

## 1. BACKGROUND, SCOPE, PURPOSE AND EFECTIVE 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.

## 2. 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.

## 3. 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 crystalisation of contingent liabilities, if any

ix. Additional investment in subsidiaries and associates of the company

x. Up gradation 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 utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan
- Product expansion plan
- Increase in production capacity
- Modernization 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.

## 4. 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.

## 5. 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**

FORM NO. MGT-9

# EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

[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:

**CIN :** L31900GJ2011PLC064420

**Registration Date :** March 12, 2011

**Name of the Company :** Schneider Electric Infrastructure Limited

**Category / Sub-Category of the Company :** Public Company limited by shares

**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
Website: www.schneider-infra.in

**Whether listed Company :** Yes

**Name, Address and contact details of Registrar & Transfer Agents (RTA), if any :** CB Management Services (P) Limited P-22, Bondel Road, Kokata- 700019
Contact Person: Mr. Subhabrata Biswas Tel. +91 33-40116700/2280, Email: rta@cbmsl.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

| S. No. | Name and Description of main products/services | 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 | 70.57 | 2(46) |

## IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

**i) Category-wise Shareholding**

| | | No. of Shares held at the beginning of the year (01.04.2019) | | | | No. of Shares held at the end of the year (31.03.2020) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | Category of Shareholder | 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 |
| (e) | Bank/Financial Institutions | | | | | | | | | |
| (f) | Any Other (specify) | | | | | | | | | |
| | **Sub Total(A)(1)** | **168735367** | **0** | **168735367** | **70.57** | **168735367** | **0** | **168735367** | **70.57** | **0** |
| **2** | **Foreign** | | | | | | | | | |
| (a) | NRIs-Individuals | | | | | | | | | |
| (b) | Other-Individuals | | | | | | | | | |
| (c) | Bodies Corporate | 10592659 | 0 | 10592659 | 4.43 | 10592659 | 0 | 10592659 | 4.43 | 0 |
| (d) | Bank/Financial Institutions | | | | | | | | | |
| (e) | Any Other (specify) | | | | | | | | | |
| | **Sub Total(A)(2)** | **10592659** | **0** | **10592659** | **4.43** | **10592659** | **0** | **10592659** | **4.43** | **0** |
| | **Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)** | **179328026** | **0** | **179328026** | **75** | **179328026** | **0** | **179328026** | **75** | **0** |
| **(B)** | **Public shareholding** | | | | | | | | | |
| **1** | **Institutions** | | | | | | | | | |
| (a) | Mutual Funds | 19338540 | 3500 | 19342040 | 8.09 | 19984382 | 0 | 19984382 | 8.36 | 0.27 |
| (b) | Bank/Financial Institutions | 107172 | 8015 | 115187 | 0.05 | 122988 | 3335 | 126323 | 0.05 | 0 |
| (c) | Central Govt | | | | | | | | | |
| (d) | State Govt(s) | 800 | 605 | 1405 | 0 | 800 | 605 | 1405 | 0 | 0 |
| (e) | Venture Capital Funds | | | | | | | | | |
| (f) | Insurance Companies | 4680660 | 0 | 4680660 | 1.96 | 3907457 | 0 | 3907457 | 1.63 | -0.33 |

| | Category of Shareholder | No. of Shares held at the beginning of the year (01.04.2019) | | | | No. of Shares held at the end of the year (31.03.2020) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (g) | Foreign Institutional Investors (FII)/ Foreign Portfolio Investors (FPI) | 170650 | 4450 | 175100 | 0.07 | 170981 | 0 | 170981 | 0.07 | 0 |
| (h) | Foreign Venture Capital Funds | | | | | | | | | |
| (i) | Others (specify) | | | | | | | | | |
| | **Sub-Total (B)(1)** | **24297822** | **16570** | **24314392** | **10.17** | **24186608** | **3940** | **24190548** | **10.12** | **0.33** |
| **2** | **Non-institutions** | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| i) | Indian | 3626265 | 76325 | 3702590 | 1.55 | 3614699 | 28450 | 3643149 | 1.52 | -0.03 |
| ii) | Overseas | | | | | | | | | |
| (b) | Individuals | | | | | | | | | |
| | i. Individual shareholders holding nominal share capital up to ₹ 1 lakh | 21655617 | 3338316 | 24993933 | 10.45 | 21469266 | 1832892 | 23302158 | 9.75 | -0.7 |
| | ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh. | 5416310 | 0 | 5416310 | 2.27 | 5819746 | 0 | 5819746 | 2.43 | 0.16 |
| (c) | Others (specify) | | | | | | | | | |
| (c-i) | NRI | 1111740 | 77320 | 1189060 | 0.5 | 1166594 | 36145 | 1202739 | 0.5 | 0 |
| (c-ii) | Foreign National | 250 | 405 | 655 | 0 | 250 | 0 | 250 | 0 | 0 |
| (c-iii) | Trust | 23000 | 0 | 23000 | 0.01 | 87300 | 0 | 87300 | 0.04 | 0.03 |
| (c-iv) | Clearing Member | 136069 | 0 | 136069 | 0.06 | 69682 | 0 | 69682 | 0.03 | -0.03 |
| (c-v) | IEPF | 0 | 0 | 0 | 0 | 1460437 | 0 | 1460437 | 0.61 | 0.61 |
| | **Sub-Total (B)(2)** | **31969251** | **3492366** | **35461617** | **14.83** | **33687974** | **1897487** | **35585461** | **14.88** | **0.05** |
| | **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **56267073** | **3508936** | **59776009** | **25.00** | **57874582** | **1901427** | **59776009** | **25.00** | **0** |
| | **TOTAL (A)+(B)** | **235595099** | **3508936** | **239104035** | **100** | **237202608** | **1901427** | **239104035** | **100** | **0** |
| (C) | Shares held by Custodians for GDRs & ADRs | | | | | | | | | |
| | **Sub-Total (C)** | | | | | | | | | |
| | **GRAND TOTAL (A)+(B)+(C)** | **235595099** | **3508936** | **239104035** | **100** | **237202608** | **1901427** | **239104035** | **100** | **0** |

ii) **Shareholding of Promoters (including Promoter Group**

| | Shareholding at the beginning of the year (01.04.2019) | | | | Shareholding at the end of the year (31.03.2020) | | | |
|---|---|---|---|---|---|---|---|---|
| S No. | Shareholder's Name | 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 |
| | Total | 179328026 | 75.00 | 0.00 | 179328026 | 75.00 | 0.00 | 0.00 |

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

| | | | | | Shareholding at the beginning of the year (01.04.2019) | | Cumulative Shareholding during the year (01.04.2019 to 31.03.2020) | |
|---|---|---|---|---|---|---|---|---|
| S. No. | Folio no. | Name | Remarks | Shareholding/ Transaction Date | 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 | 01-04-2019 | 168735367 | 70.57 | 168735367 | 70.57 |
| | | | At the end of the year | 31-03-2020 | | | 168735367 | 70.57 |
| 2 | IN30263810065687 | Schneider Electric Singapore PTE Ltd. | At the beginning of the year | 01-04-2019 | 10592659 | 4.43 | 10592659 | 4.43 |
| | | | At the end of the year | 31-03-2020 | | | 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)**

| | | | | | Shareholding at the beginning of the year ( 01.04.2019) | | Cumulative Shareholding during the year (01.04.2019 to 31.03.2020) | |
|---|---|---|---|---|---|---|---|---|
| S. No. | PAN No. | Name - For each of the Top 10 Shareholders | Remarks | Shareholding/ Transaction Date | 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 | 01-04-2019 | 19161604 | 8.01 | 19161604 | 8.01 |
| | | | Increase | 10-05-2019 | 18000 | 0.01 | 19179604 | 8.02 |
| | | | Increase | 17-05-2019 | 88308 | 0.04 | 19267912 | 8.06 |
| | | | Increase | 24-05-2019 | 122458 | 0.05 | 19390370 | 8.11 |
| | | | Increase | 31-05-2019 | 41234 | 0.02 | 19431604 | 8.13 |
| | | | Increase | 05-07-2019 | 68000 | 0.03 | 19499604 | 8.16 |
| | | | Increase | 12-07-2019 | 22000 | 0.01 | 19521604 | 8.16 |
| | | | Increase | 27-09-2019 | 67500 | 0.03 | 19589104 | 8.19 |
| | | | Decrease | 17-01-2020 | 630000 | 0.26 | 18959104 | 7.93 |
| | | | Increase | 24-01-2020 | 600000 | 0.25 | 19559104 | 8.18 |
| | | | Increase | 06-03-2020 | 43861 | 0.02 | 19602965 | 8.20 |
| | | | Increase | 13-03-2020 | 128502 | 0.05 | 19731467 | 8.25 |
| | | | Increase | 31-03-2020 | 75173 | 0.03 | 19806640 | 8.28 |
| | | | At the end of the year | 31-03-2020 | | | 19806640 | 8.28 |
| 2 | AADPB5433H | AKASH BHANSHALI | At the beginning of the year | 01-04-2019 | 3637268 | 1.52 | 3637268 | 1.52 |
| | | | At the end of the year | 31-03-2020 | | | 3637268 | 1.52 |
| 3 | AAACN4165C | THE NEW INDIA ASSURANCE COMPANY LIMITED | At the beginning of the year | 01-04-2019 | 2941008 | 1.23 | 2941008 | 1.23 |
| | | | Decrease | 07-06-2019 | 8981 | 0 | 2932027 | 1.23 |
| | | | Decrease | 14-06-2019 | 88388 | 0.04 | 2843639 | 1.19 |
| | | | Decrease | 20-09-2019 | 1588 | 0 | 2842051 | 1.19 |
| | | | Decrease | 27-09-2019 | 89345 | 0.04 | 2752706 | 1.15 |
| | | | Decrease | 30-09-2019 | 27433 | 0.01 | 2725273 | 1.14 |
| | | | Decrease | 28-02-2020 | 49684 | 0.02 | 2675589 | 1.12 |
| | | | At the end of the year | 31-03-2020 | | | 2675589 | 1.12 |
| 4 | AARFA5161F | AADI FINANCIAL ADVISORS LLP | At the beginning of the year | 01-04-2019 | 1000000 | 0.42 | 1000000 | 0.42 |
| | | | At the end of the year | 31-03-2020 | | | 1000000 | 0.42 |
| 5 | AAACT0627R | THE ORIENTAL INSURANCE COMPANY LIMITED | At the beginning of the year | 01-04-2019 | 826950 | 0.35 | 826950 | 0.35 |
| | | | At the end of the year | 31-03-2020 | | | 826950 | 0.35 |
| 6 | AAACG0615N | GENERAL INSURANCE CORPORATION OF INDIA | At the beginning of the year | 01-04-2019 | 501000 | 0.21 | 501000 | 0.21 |
| | | | Decrease | 05-04-2019 | 70745 | 0.03 | 430255 | 0.18 |
| | | | Decrease | 12-04-2019 | 15000 | 0.01 | 415255 | 0.17 |
| | | | Decrease | 19-04-2019 | 5768 | 0 | 409487 | 0.17 |
| | | | Decrease | 21-02-2020 | 87350 | 0.04 | 322137 | 0.13 |
| | | | Decrease | 28-02-2020 | 267219 | 0.11 | 54918 | 0.02 |
| | | | At the end of the year | 31-03-2020 | | | 54918 | 0.02 |
| 7 | AAACN9967E | NATIONAL INSURANCE COMPANY LTD | At the beginning of the year | 01-04-2019 | 411702 | 0.17 | 411702 | 0.17 |
| | | | Decrease | 28-02-2020 | 61702 | 0.03 | 350000 | 0.14 |
| | | | At the end of the year | 31-03-2020 | | | 350000 | 0.14 |

| S. No. | PAN No. | Name - For each of the Top 10 Shareholders | Remarks | Shareholding/ Transaction Date | Shareholding at the beginning of the year ( 01.04.2019) No. of Shares | % of total shares of the Company | Cumulative Shareholding during the year (01.04.2019 to 31.03.2020) No. of Shares | % of total shares of the Company |
|---|---|---|---|---|---|---|---|---|
| 8 | AABPP9493K | HARESH MULCHAND POLADIA | At the beginning of the year | 01-04-2018 | 348100 | 0.15 | 348100 | 0.15 |
| | | | Increase | 17-05-2019 | 25000 | 0.01 | 373100 | 0.16 |
| | | | Increase | 28-06-2019 | 10000 | 0 | 383100 | 0.16 |
| | | | At the end of the year | 31-03-2020 | | | 383100 | 0.16 |
| 9 | AADPP9378H | AMAL N PARIKH | At the beginning of the year | 01-04-2019 | 296383 | 0.12 | 296383 | 0.12 |
| | | | At the end of the year | 31-03-2020 | | | 296383 | 0.12 |
| 10 | AACHJ5352E | JAGDISH N MASTER | At the beginning of the year | 01-04-2019 | 292000 | 0.12 | 292000 | 0.12 |
| | | | Decrease | 05-04-2019 | 3000 | 0 | 289000 | 0.12 |
| | | | Decrease | 12-04-2019 | 500 | 0 | 288500 | 0.12 |
| | | | Decrease | 10-05-2019 | 500 | 0 | 288000 | 0.12 |
| | | | Decrease | 17-05-2019 | 500 | 0 | 287500 | 0.12 |
| | | | Decrease | 24-05-2019 | 4500 | 0 | 283000 | 0.12 |
| | | | Decrease | 31-05-2019 | 1000 | 0 | 282000 | 0.12 |
| | | | Decrease | 14-06-2019 | 1500 | 0 | 280500 | 0.12 |
| | | | Decrease | 05-07-2019 | 1000 | 0 | 279500 | 0.12 |
| | | | Decrease | 05-09-2019 | 1500 | 0 | 278000 | 0.12 |
| | | | Decrease | 08-11-2019 | 15000 | 0.01 | 263000 | 0.11 |
| | | | Decrease | 15-11-2019 | 5000 | 0 | 258000 | 0.11 |
| | | | Decrease | 22-11-2019 | 2500 | 0 | 255500 | 0.11 |
| | | | Increase | 06-12-2019 | 3500 | 0 | 259000 | 0.11 |
| | | | Decrease | 10-01-2020 | 40000 | 0.02 | 219000 | 0.09 |
| | | | Decrease | 17-01-2020 | 5000 | 0 | 214000 | 0.09 |
| | | | Decrease | 24-01-2020 | 4500 | 0 | 209500 | 0.09 |
| | | | Decrease | 31-01-2020 | 500 | 0 | 209000 | 0.09 |
| | | | Decrease | 07-02-2020 | 11000 | 0 | 198000 | 0.08 |
| | | | Decrease | 14-02-2020 | 22500 | 0.01 | 175500 | 0.07 |
| | | | Decrease | 21-02-2020 | 6000 | 0 | 169500 | 0.07 |
| | | | Decrease | 28-02-2020 | 9000 | 0 | 160500 | 0.07 |
| | | | Decrease | 06-03-2020 | 33000 | 0.01 | 127500 | 0.05 |
| | | | Decrease | 13-03-2020 | 5000 | 0 | 122500 | 0.05 |
| | | | Decrease | 20-03-2020 | 122500 | 0.05 | 0 | 0 |
| | | | At the end of the year | 31-03-2020 | | | 0 | 0 |

v) **Shareholding Pattern of Directors and Key Managerial Personnel**

| S. No. | PAN No. | Name - For each of the Top 10 Shareholders | Remarks | Shareholding/ Transaction Date | Shareholding at the beginning of the year ( 01.04.2019) No. of Shares | % of total shares of the Company | Cumulative Shareholding during the year (01.04.2019 to 31.03.2020) No. of Shares | % of total shares of the Company |
|---|---|---|---|---|---|---|---|---|
| None of the Directors and Key Managerial Personnel held any equity share at the beginning of the financial year 2019-2020, nor acquired any equity shares during the financial year 2019-2020. | | | | | | | | |

**vi) Indebtedness-**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

**(All Figures in ₹ million)**

| Particulars | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 32.72 | 4,210.55 | NIL | 4243.28 |
| 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** | **4559.52** |
| Change in Indebtedness during the financial year | | | | |
| Addition | 21.88 | 527.74 | NIL | 549.62 |
| Reduction | (12.66) | (235.13) | NIL | (247.79) |
| **Net Change** | **9.22** | **292.61** | **NIL** | **301.83** |
| Indebtedness at the end of the financial year | | | | |
| I) Principal Amount | 41.94 | 4,220.20 | NIL | 4262.14 |
| ii) Interest due but not paid | NIL | NIL | NIL | NIL |
| iii) Interest accrued but not due | NIL | 599.21 | NIL | 599.21 |
| **Total (i+ii+iii)** | **41.94** | **4,819.41** | **NIL** | **4861.35** |

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

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

**(All Figures in ₹)**

| Particulars of Remuneration | Bruno Bernard Dercle | Vivek Sarwate | Piyush Pandey |
|---|---|---|---|
| | | (till May 22, 2019) | (from May 22, 2019) |
| 1. Gross salary | | | |
| (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 | 25,384,987 | 1,301,005 | 6,188,301 |
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1,113,984 | 1,39,899 | 6,794 |
| (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. Shares based payments recognized under IND AS | - | - | - |
| **Total** | **26,498,971** | **1,440,904** | **6,195,095** |
| 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. | | |

**B. Remuneration to other directors:**

All Figures in INR

| S. No | Particulars of Remuneration | Name of other directors | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| **A. Independent Directors** | | **Vinod Kumar Dhall** | **Vishar Subramanian Vasudevan** | **Ranjan Pant** | **Namrata Kaul** (from November 6, 2019) | **Geeta Mathur** (till September 9, 2019) | |
| 1 | Fee for attending Board and Committee meetings | 8,80,000 | 8,40,000 | 7,20,000 | 80,000 | 1,60,000 | 26,80,000 |
| 2 | Commission | - | - | - | | | - |
| 3 | Others, please specify | - | - | - | | | - |
| 4 | Total (A) | 8,80,000 | 8,40,000 | 7,20,000 | 80,000 | 1,60,000 | 26,80,000 |
| **B. Other Non-Executive Directors** | | | | | | | |
| 5 | Fee for attending Board and Committee meetings | - | - | - | | | - |
| 6 | Commission | - | - | - | | | - |
| 7 | Other, please specify | - | - | - | | | - |
| 8 | Total (B) | - | - | - | | | - |
| 9 | Total (C)= {A+B} | 8,80,000 | 8,40,000 | 7,20,000 | 80,000 | 1,60,000 | 26,80,000 |
| | Ceiling as per the Act | The total managerial remuneration paid during the financial year 2019-2020 was in terms of the provisions of Schedule V of the Act. | | | | | |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

All Figures in ₹

| Particulars of Remuneration | Bhumika Sood | Arnab Roy |
|---|---|---|
| 1. Gross salary | | |
| (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 | 6,135,724 | 20,266,551 |
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 949,097 |
| (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. Shares based payments recognized under IND AS | - | - |
| **Total** | **6,135,724** | **21,215,648** |

**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) |
|---|---|---|---|---|---|
| A. Company | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| B. Directors | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| C. Other Officers In Default | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |

On behalf of the Board of Directors,
**For Schneider Electric Infrastructure Limited**

**Vinod Kumar Dhall**
**Chairman**
**DIN: 02591373**
Date: June 16, 2020
Place: Noida

# 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: | · Plant is ISO50K certified.<br>· Energy management application is upgraded from PME8.2 to PME9.0.<br>· Application migration on SE server in progress to address cyber security non-compatibility/data loss due to application stability issues on local server environment.<br>· Energy management program status & action plan is reviewed periodically by plant energy team. |
| 2 | The steps taken by company for utilizing alternate source of energy: | · LED lamps for warehouse.<br>· Energy saving achieved for Yr. 2019: 9900kwh.<br>· Installation of HVLS fans in shop floor Energy saving achieved for Yr. 2019: 15500 kwh.<br>· Pneumatic tools replaced by electric tools at pole assembly.<br>· (CB D), Structure assembly & finishing area (FBX).<br>· Improved operational controls & maintenance practices to avoid energy wastage & optimum energy performance of air-conditioning system, Compressed air supply & lighting system.<br>· Energy saving achieved: HVAC-99000 kwh.<br>· Compressed air system-13000 kwh.<br>· Avg. power factor > 0.95 lagging (Yr. 2019-2020).<br>· Secured total rebate of @ 0.14 MINR.<br>· Night charges rebate @ 0.3 MINR for Yr. 2019-2020.<br>· Solar consumption (imported from solar grid): 610047 kwh with comparative saving (wrt grid electricity import charges) of @ 1.7 MINR.<br>· Solar energy exported to grid: 26023 Kwh in Yr. 2019-2020 (excess to real time demand during weekly off).<br>· ISO50K re-certification audit completed in Q1-2020. |
| 3 | Capital investment on energy conservation equipment: | · Capital investment for plant energy management program in Yr. 2019.<br>· (Procurement of HVLS fans, LED lamps & heat reflecting coating on rooftop): 2.8 MINR. |
| 4 | Energy conservation and saving calculation | · Energy performance improvement achieved: +9.1%.<br>· Cumulative energy performance improved by 7.3% in Yr. 2019 against energy consumption base line of Yr. 2017.<br>· Energy performance improvement measures includes -<br>  · Energy management program to improve energy efficiency of significant energy usages.<br>  · ISO50K re-certification audit (Completed in Q1-2020).<br>  · Usage of energy efficient solutions (LED lamps & HVLS fans).<br>  · Upgrade energy management applications (PME9.0). |

**B. Technology Absorption**

| | | |
|---|---|---|
| 1 | Efforts made towards technology absorption: | · Additional LV-FAT Facility:<br>· Additional Energy efficient LV-FAT facility in place from Yr. 2019.<br>· (Energy efficient solutions implemented - 40mm puff ceiling with integrated diffused lights, heat reflection coating on roof top, turbo ventilators & high-volume low speed HVLS fans).<br>· Capital Investment: 14 MINR.<br>· Revamping of IT Infrastructure:<br>· IT infrastructure migrated from Alkatel to CISCO.<br>· (Enhanced network speed & system redundancy).<br>· Capital Investment: 23 MINR.<br>· Testing Jidoka for Joint Pack (Bus way joint pack assembly):<br>· Automated component inspection & report generation facility developed, reduced MQD & re-work hours & improved customer satisfaction.<br>· Copper Busway Localization:<br>· End to end competitive solution is developed locally to benefit with increased market share & revenue.<br>· Sale gate to commence from May 2020.<br>· Capital Investment 14 MINR.<br>· Sf6 zero emission approach (FBX manufacturing):<br>· Real time Sf6 emission monitoring, recording & control system with centralized gas supply system developed & integrated with machine.<br>· Digital spare part traceability:<br>· Digital trackability of spare parts to eliminate issues like customer complaints of material mix & short/wrong supply.<br>· QR code on product implemented on Pilot basis. |
| 2 | The benefits derived like product improvement, cost reduction, product development or import substitution | · Improved CNPS (LV-FAT & automated joint pack testing).<br>· Benchmarked energy efficient solution deployed for LV- facility.<br>· IT infrastructure revamp has improved overall system redundancy.<br>· Cost optimized Copper Busway localization with sales & revenue growth.<br>· Digital spare part traceability has reduced non-quality cost & FOC material. |
| 3 | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)<br>a) The details of technology imported<br>b) The year of Import<br>c) Whether the technology has been fully absorbed<br>d) If not fully absorbed, area where absorption has not taken place and the reasons thereof | No technology was imported during last three financial years. |

## Vadodara - Transformer Factory

**A. Conservation of energy:**

| | | |
|---|---|---|
| 1 | The steps taken or impact on conservation of energy management: | · Plant is certified by under ISO:50001-2018 Energy management System.<br>· Plant having recertified by NABL accreditation for Test Laboratory.<br>· Green initiative - 250+ Mango Trees planted in factory.<br>· Shop floor light improved by adding more Transparent Roof sheet and Wind Turbo Ventilator for Air circulation.<br>· Solar Roof Top Rain water Harvesting, and Zero discharge facility sustained.<br>· Rejected RO water is recycled in canteen for utensil cleaning and washrooms.<br>· STP treated water is used for Gardening.<br>· Monthly EnPI report is published.<br>· MPT Air Drying Oven & Autoclave taken out from operation to save on Electrical I Energy cost.<br>· Focus on Green technologies. Transformers supplied with environment friendly natural Ester Oil. |
| 2 | The steps taken by company for utilizing alternate source of energy: | · Third Party Solar Panel Deployed, Capacity 359 KW.<br>· Energy audit by Schneider energy audit team in 2016.<br>· Energy management system Audit done in February 2019. |
| 3 | Capital investment on energy conservation equipment: | · Roof Top Solar System implemented in 2017, saved 15 Lakhs/ Annum in 2019-2020. |
| 4 | Energy conservation and saving calculation | · Savings during the financial year 2019-2020 (in ₹): Electricity saving – 2 Lakh. |

**B. Technology Absorption**

| | | |
|---|---|---|
| 1 | Efforts made towards technology absorption: | · Deployment of global technology with flat yoke, Bandage clamping, Corrugated Fin wall tank design in Distribution Transformers – Products are validated. |
| 2 | The benefits derived like product improvement, cost reduction, product development or import substitution | · MTO CTO standard series continues.<br>· Standardisation of distribution transformers design up to 2.5 MVA, 33 kV to offer faster delivery in market with a standard energy price list.<br>· Launch of global mechanical design software for Medium Power Transformer (1st Phase) – OPTIMUS.<br>· CTC Winding implemented in MPT range of Transformers.<br>· Range of Foil Winding technology extended from 4 MVA to 6.3 MVA. Largest range of Solar inverter rating of Transformer 12.5 MVA.<br>· As a part of EcoStruxure Programme, Connected Transformer launched with integrated Thermal sensor (TH110) and Climatic sensor (CL110).<br>· Plant Approval by Power Grid – largest Transmission company of India for Transformers upto 132 KV class.<br>· Short Circuit testing on five new ratings/specifications of Transformers. Highest rating of 40 MVA tested. |

| | | |
|---|---|---|
| 3 | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)<br>a) The details of technology imported<br>b) The year of Import<br>c) Whether the technology has been fully absorbed<br>d) If not fully absorbed, area where absorption has not taken place and the reasons thereof | · Global Bandage technology was imported for distribution Transformers<br>a) Global Bandage<br>b) 2019<br>c) Yes, fully deployed on orders/projects from Q2-2019 onwards<br>d) Not Applicable |

## Kolkata - SLW Factory

**A. Conservation of energy:**

| | | |
|---|---|---|
| 1. | The steps taken or impact on conservation of energy management: | • Plant is certified under ISO:50001-2018 Energy management System.<br>• Green initiative – Plant take initiative to plant trees in locality in every year. (Last year done in BSF & CRPF residential complex & in Government Schools.).<br>• Rain water harvesting plant is installed to utilize rain water in surface treatment process.<br>• Water recycling plant is used to reuse 50% of the process residual water.<br>• ETP plant is used to treated process water & use it for Gardening.<br>• Condensate water from Air Conditioner is collected & used to refill the cooling tower.<br>• Monthly EnPI report is published. |
| 2. | The steps taken by company for utilizing alternate source of energy: | • Energy management system Audit is done.<br>• Shop floor light improved by implementing innovative sky tubes. Reduces the use of artificial lights.<br>• Solar heater implemented in canteen in place of electric heater.<br>• LED implemented in VI office, central warehouse & shopfloor replacing metal halide & CFL. |
| 3. | Capital investment on energy conservation equipment: | • Sky tube installation in year 2015. |
| 4. | Energy conservation and saving calculation | • Savings during year 2019: 12% saving from year 2018 - (EnPI).<br>• Electricity saving in year 2019 - 188 KINR. |

**B. Technology Absorption**

| | | |
|---|---|---|
| 1. | Efforts made towards technology absorption: | • Technology transfer of new generation Vacuum Interrupter-Vision VI.<br>• Technology transfer of New generation LOCO VCB known as LOCO-22CB NG2 (e-LOCO) from Alstom transport (France). It will support for manufacturing new Generation Bullet Train in India.<br>• Implementation of One Process in Vacuum Interrupter. |
| 2. | The benefits derived like product improvement, cost reduction, product development or import substitution | • Vision VI are more simplified in terms of manufacturing hence providing manufacturing stability.<br>• The localization of the Vision VI provides an import substitution for import of VI for Easy Pact Breaker.<br>• LOCO 22CB NG2 is a new generation upgraded VCB with high reliability & robust in terms of product design.<br>• One process implementation has benefits like:<br>  • Benchmark Technology with Global SE plants.<br>  • Energy efficient equipment.<br>  • Electrical performance improvement. (New BIL Machine).<br>  • Capability to produce all ranges of SE Vacuum Interrupter after One process Implementation.<br>  • Reduction of Process time (He Storage tanks).<br>  • 100% eradication of VOC in surface treatment. (New Surface Treatment Line for Cu & SS).<br>  • Improve reliability in testing process. (Magnetron 1 & Magnetron 2). |
| 3 | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | Technology transfer of new generation Vacuum Interrupter-Vision VI. |
| | a) The details of technology imported | a) Vacuum Interrupter-Vision VI. |
| | b) The year of Import | b) 2018 |
| | c) Whether the technology has been fully absorbed | c) Yes |
| | d) If not fully absorbed, area where absorption has not taken place and the reasons thereof | d) Not Applicable |

**C. FOREIGN EXCHANGE - EARNINGS AND OUTGO**

₹ in million

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Foreign Exchange Earnings | 1,392.14 | 1,490.56 |
| Foreign Exchange Outflow | 3,041.65 | 3,457.89 |

On behalf of the Board of Directors,
**For Schneider Electric Infrastructure Limited**

**Vinod Kumar Dhall**
**Chairman**
**DIN: 02591373**

Date: June 16, 2020
Place: Noida

**ANNEXURE IV**

## A. Remuneration to whole-time directors

| Name of the Director | Designation | Remuneration in fiscal year 2019-2020 (₹) | Remuneration in fiscal year 2018-2019 (₹) | % increase of remuneration in fiscal year 2019-2020 as compared to fiscal year 2018-2019 | Ratio of remuneration to Median Remuneration of Employees excluding WTDs i.e. Mr. Bruno Bernard Dercle, Mr. Piyush Pandey and Mr. Vivek Sarwate | Ratio of remuneration to Median Remuneration of Employees including WTDs i.e. Mr. Bruno Bernard Dercle, Mr. Piyush Pandey and Mr. Vivek Sarwate |
|---|---|---|---|---|---|---|
| Mr. Bruno Bernard Dercle | Managing Director and Chief Executive Officer | 26,498,971 | 14,170,932 | 87 | 41.03:1 | 41.02:1 |
| Mr. Vivek Sarwate | Whole-Time Director | 1,440,904 | 10,558,064 | -86 | 1.29:1 | 1.28:1 |
| Mr. Piyush Kumar Pandey | Whole-Time Director | 6,195,095 | 0 | 100 | 8.83:1 | 8.82:1 |

## B. Remuneration of other key managerial personnel (KMP)

| Name of the KMP | Designation | Remuneration in fiscal year 2019-2020 (₹) | Remuneration in fiscal year 2018-2019 (₹) | % increase of remuneration in fiscal year 2019-2020 as compared to fiscal year 2018-2019 # | Ratio of remuneration to Median Remuneration of Employees excluding WTDs i.e. Ms Bhumika Sood and Mr. Arnab Roy | Ratio of remuneration to Median Remuneration of Employees including WTDs i.e. Ms Bhumika Sood and Mr. Arnab Roy |
|---|---|---|---|---|---|---|
| Ms. Bhumika Sood | Company Secretary | 6,135,724 | 3,792,933 | 62.00 | 8.73:1 | 8.73:1 |
| Mr. Arnab Roy | Chief Financial Officer | 21,215,648 | 16,889,186 | 25.62 | 32.65:1 | 32.64:1 |

#Remuneration for the part of the year

C. The Median Remuneration of Employees (MRE) excluding whole-time directors (WTDs) was ₹ 630,515 and ₹ 6,21,395 in fiscal 2019-2020 and fiscal 2018-2019 respectively. The increase in MRE (excluding WTDs) in fiscal year 2019-2020, as compared to fiscal year 2018-2019, is 1.47%

D. The MRE including WTDs was ₹ 6,30,610 and ₹ 6,21,796 in fiscal 2019-2020 and fiscal 2018-2019 respectively. The increase in MRE (including WTDs) in fiscal 2019-2020, as compared to fiscal 2018-2019, is 1.42%.

## E. Top 10 employees in terms of remuneration drawn during the year 2019-2020

| Employee name | Designation | Remuneration in fiscal 2018-2019 (₹) | Qualification | Date of Commencement of employment | Age (Years) | Experience (Years) | Particulars of Last Employment | Nature of Employment (Contractual/ otherwise) | % of equity shares held |
|---|---|---|---|---|---|---|---|---|---|
| Mr Bruno Bernard Dercle | Managing Director and Chief Executive Officer | 26,498,971 | B.E Radio communication | August 1, 1988 | 58 | 34 | Schneider Electric Dubai | Permanent | 0 |
| Mr. Arnab Roy | Director Finance | 21,215,648 | B.Sc economics,MBA,CA | March 8, 2017 | 46 | 22 | G4S Security Systems (India) Pvt Ltd | Permanent | 0 |
| Mr. Saibal Choudhury | Director Sales- End User | 7,922,716 | BE (Electrical) | October 11, 2006 | 50 | 27 | Siemens | Permanent | 0 |
| Mr. Stephane Lavigne | Global Execution of Projects Director | 14,976,114 | Master in Electrical Engineering | June 24, 2002 | 48 | 20 | Alstom Transmission & Distribution | Permanent | 0 |
| Mr. Vivek Sarwate | Whole Time Director | 8,638,792 | BE Electrical Engineering | February 1, 2008 | 45 | 24 | Areva T&D Limited | Permanent | 0 |
| Mr. Ponniah Sankarakumar | Director Marketing & Strategy | 10,028,577 | B.E. | November 1, 2013 | 45 | 19 | Alstom UK Ltd | Permanent | 0 |
| Mr. Subbarao Guntupalli | Director - HUB & EAC | 7,902,525 | B.E. | August 20, 2004 | 56 | 31 | Allport International Pvt Ltd | Permanent | 0 |
| Mr. PP Sreekanth | Director - Sales | 7,740,335 | B Tech Electrical | July 3, 1995 | 50 | 28 | Areva T&D Limited | Permanent | 0 |
| Sunil Kumar | Director - MMM Segment | 8,247,640 | B.E. | July 9, 2013 | 50 | 28 | Areva T&D Limited | Permanent | 0 |
| Latish Babu | Director-SC&S | 7,925,792 | B.E. | July 14, 2004 | 52 | 25 | Rockwell Automation India Pvt. Ltd. | Permanent | 0 |

## F. Employees drawing a remuneration of ₹ 1.02 crore or above per annum and posted in India

| Employee Name | Designation | Remuneration in fiscal 2019-2020 (₹) | Qualifications | 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 | Chief Financial Officer | 21,215,648 | B.sc economics, MBA, CA | March 8, 2017 | 46 | 22 | G4S Security Systems (India) Pvt Ltd | Permanent | 0 |
| Mr Bruno Bernard Dercle | Managing Director and Chief Executive Officer | 26,498,971 | B.E Radio communication | August 1, 2018 | 58 | 34 | Schneider Electric Dubai | Permanent | 0 |

## G. Employed for part of the year with an average salary above ₹ 8.5 lakh per month posted in India

| Employee name | Designation | Remuneration in fiscal 2018-2019 (₹) | Qualification | Date of Commencement of employment | Age (Years) | Experience (Years) | Particulars of Last Employment | Nature of Employment (Contractual/ otherwise) | % of equity shares held |
|---|---|---|---|---|---|---|---|---|---|

## H. Number of permanent employees on the rolls of the Company- 1280

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 retiral Fund.
3. All appointments are contractual in nature.
4. None of the employee is relative of any Director of the Company.

**ANNEXURE V**

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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.

g) Some of the books and papers were verified through online means due to the prevailing lockdown (COVID-19) and due efforts have been made by the Company to make available all the relevant documents and records and by the Auditors to conduct and complete the audit in aforesaid lockdown conditions.

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, 2020 ("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, 2020 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 thereunder;

(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, wherever applicable;

(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, 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, 1993regarding 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, 2018; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");

** 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, except that annual Secretarial Compliance Certificate was filed to Stock Exchanges ("STX") on June 04, 2019, as required under SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019.

(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 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** pursuant to the provisions of Section 67 and other applicable provisions of the Companies Act, 2013, the shareholders at their Annual General Meeting held on September 12, 2019, inter-alia approved matter relating to participation in the Worldwide Employee Share Ownership Plan (WESOP) Scheme (the Scheme) of the Ultimate Holding Company, Schneider Electric SE, France, and ratified the financial assistance provided by the Company pursuant to the Scheme to the employees of the Company during the year 2019-20.

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

**Vijay K. Singhal**
Partner
M. No.: A21089,CP No.: 10385
UDIN.: A021089B000346568

New Delhi
June 16, 2020

# ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

| | | |
|---|---|---|
| 1. | A brief outline of the Company's CSR Policy, 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 | The Company's CSR Policy has been framed within the objectives prescribed under Schedule VII of the Companies Act, 2013 as per the following Vision and Objective:<br>**1. Vision:**<br>To be an active contributor in raising the country's human development index and fulfill the role of a Socially Responsible Corporate, being cognizant of environmental concerns.<br>**2. Objective:**<br>2.1. To align and integrate Schneider Electric – CSR activities with the Schneider philosophy and make them outcome oriented.<br>2.2. To sustain and continuously improve the quality of life and economic well being of the local populace.<br>2.3. To create a brand image of Schneider in the society, a Company which is socially responsible.<br>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 (the Act).<br>The policy is also posted on the Company's website at the weblink: https://infra.schneider-electric.co.in/supervision/images/policies/policiesYmdxzoUFKA.pdf. |
| 2. | The Composition of the CSR Committee | Mr. Bruno Bernard Dercle, Managing Director and Cheif Executive Officer<br>Mr. Ranjan Pant, Independent Director<br>Mr. VS Vasudevan, Independent Director |
| 3. | Average net profit / (loss) of the Company for last three years (Amount in ₹ million) | ₹ (378.66) Million |
| 4. | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (Amount in ₹ million) | Not required due to losses |

| | | |
|---|---|---|
| 5. | Details of CSR spent during the year<br>1) Amount to be spent for the year<br>2) Amount unspent, if any<br>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 Act, since the Company has been at a loss, at an average, for last 3 financial years.<br>However, in the financial year 2019-2020, we, as Schneider group ("Group") was actively involved in CSR activities. We also align our programs to contribute to UN set Sustainable Development Goals 2030 ("SDG").<br>Schneider Electric India Foundation (SEIF), an umbrella entity for all Group business entities in India for CSR initiatives, trained 21,265 unemployed youth including 1,123 females and trained 153 trainers, 184 entrepreneurs to start their journey in energy profession through SEIF's skill development program spread across 26 states including aspirational districts. SEIF contributed to SDG 1 of 'No Poverty', SDG 2 of 'Zero Hunger'; SDG 8 of 'Decent Work and Economic Growth'.<br>Through Rural Electrification program, the Group was able to provide access to 8,165 households to clean and safe energy solution, benefitting 40,825 individuals across country including difficult, disturbed and aspirational districts like Gumla, Khunti in Jharkhand, Nabrangpur, Kalahandi, Rayagada in Odisha.<br>The Group installed 178 sets of solar water pumps which served 3,379 nos. farmers under 'Energy for Livelihood' project, which is a pilot project, undertaken in very remote villages of Jharkhand and Odisha to run agricultural loads like water pumps, rice husking, sugarcane crushing etc. with the help of solar energy. The project impacted the community many-folds by reducing manual labor, increasing agricultural output and hence income. The vision of the program is aligned with SDG 7 of 'Affordable and clean energy'.<br>To build energy and environment conscious future and as contribution towards SDG 13 of 'Climate Action', the Group sensitized 6,534 school children, future leaders of tomorrow through our Conserve My Planet program across 5 cities of Delhi, Mumbai, Kolkata, Hyderabad and Chennai who further reached out to 23,959 adults in society for sensitization about conservation of energy and environment.<br>Our Group efforts provided 61 scholarships to meritorious engineering and diploma graduates from underprivileged background in financial year 2019-2020 contributing to SDG 10 of 'Reduced Inequalities'.<br>Under emergency support program, the Group extended support to restore electric power supply in Puri, Odisha after Fani Cyclone hit the coast in May 2019.<br>Our Group encouraged in-house employees to participate in all the above initiatives and contribute in their own ways for the society. |

| | | |
|---|---|---|
| 6. | In case the Company has failed to spend 2% of the average net profit of last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's report | N.A. |
| 7. | Responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company | CSR Policy is in compliance to applicable laws |

On behalf of the Board of Directors,
**For Schneider Electric Infrastructure Limited**

| | | |
|---|---|---|
| **Vinod Kumar Dhall** | **Bruno Bernard Dercle** | **VS Vasudevan** |
| Chairman | Managing Director and Chief Executive Officer | Independent, Non-Executive Director |
| DIN: 02591373 | DIN: 08185909 | DIN: 00130205 |
| Date: June 16, 2020 | Date: June 16, 2020 | Date: June 16, 2020 |
| Place: Noida | Place: Gurugram | Place: Hyderabad |

# Corporate Governance Report

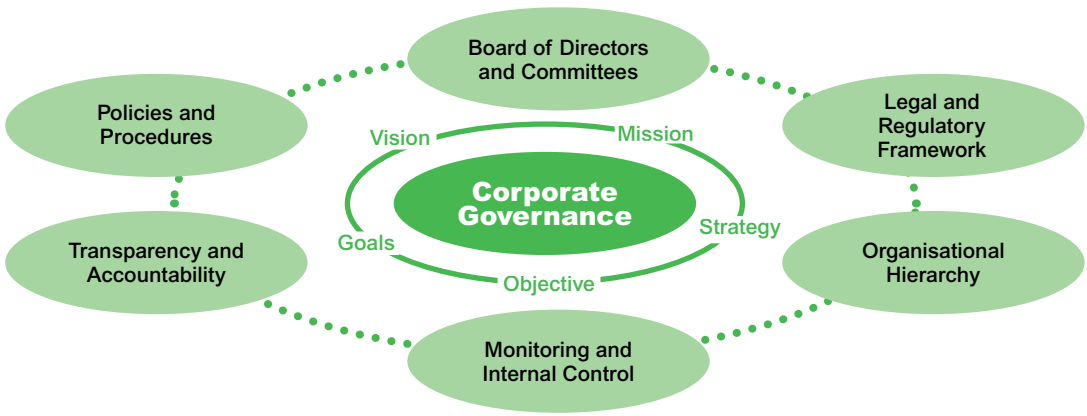
## SCHNEIDER'S PHILOSOPHY ON CORPORATE GOVERNANCE

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Directors of Schneider Electric Infrastructure Limited ("SEIL" or "the Company") have pleasure in presenting the Company's Report on Corporate Governance for the Financial Year 2019-2020.

Good governance practices stem from the culture and mindset of the organisation. Your Company considers fair and transparent Corporate Governance as one of its core management tenets. The Company is a part of the Schneider Electric Group which has an established reputation of honesty, integrity and sound governance over the years. The Company is, therefore, committed to maintaining the highest standards of corporate governance in its conduct towards shareholders, employees, regulators, customers, suppliers, lenders and other stakeholders.

The Company's philosophy of corporate governance is to enhance the satisfaction of all the Company's stakeholders and improvement of overall corporate value, while balancing economic, social, and corporate value(s). The Company believes that corporate governance is about creating organisations that succeed in the marketplace with the right approach and values. In order to enhance the soundness, efficiency, and transparency of management, which are essential to earn trust, the Company continuously strive to strengthen its corporate governance.

The Company's corporate governance framework brings together all the components necessary to manage and monitor the achievement of the Company's outcome:




**The Guiding principles** of corporate governance in your Company are fairness; accountability; responsibility; and transparency. Your Company believes that the practice of each of these creates the right corporate culture that fulfils the true purpose of corporate governance.

**Fairness** refers to equal treatment. At your Company, shareholders receive equal consideration irrespective of the shareholding held by them. In addition to shareholders, the Company displays fairness in the treatment of all stakeholders including employees, communities and public officials.

**Accountability** in relation to corporate refers to the obligation and responsibility to give an explanation or reason for the Company's actions and conduct. Your Board communicates with its stakeholders at regular intervals and provides fair, balanced and understandable assessment of how Company is achieving its business purpose.

**Responsibility** and accountability go hand in hand. The Board of Directors acts on behalf of the Company and therefore they are responsible for the powers that is given and the authority that they exercise. Your Directors are responsible for overseeing the management of the business, affairs of the Company and monitoring the performance of the Company. The Board acts in the best interests of the Company.

**Transparency** implies providing clear information to shareholders and other stakeholders. Your Company promptly discloses all material matters concerning the organisation's performance and activities in timely and accurate manner and ensures that all investors have access to clear, information which accurately reflects the financial, social and environmental position of the organisation.

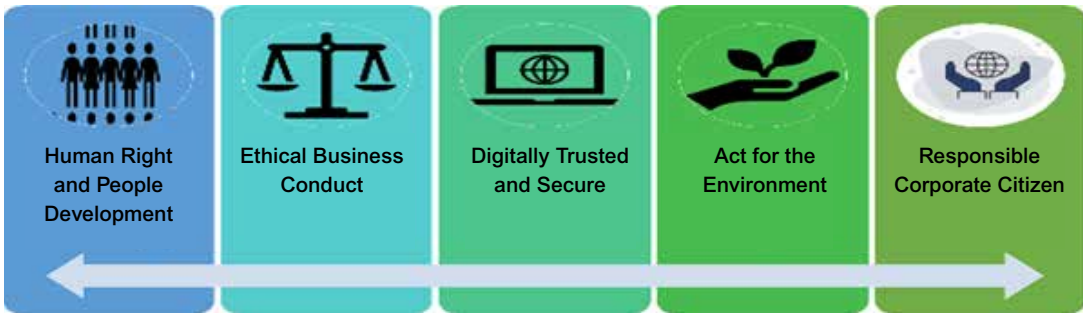
## COMPANY CULTURE: OUR PRINCIPLES OF RESPONSIBILITY

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 and moral responsibility in a more effective manner.

Our ethical values, and the guidance of how we want to deliver our mission have been consigned in our document. i.e. Principles of Responsibility. This document is our charter of ethics and serves as our "constitution". Initially created and deployed in 2002, it had been modified and enriched on several occasions until 2018.

In 2019, we renewed the document in its entirety, as well as the communication and learning tools that support the dissemination to all employees. The deployment was also supported by dedicated learning tools: every employee at Schneider is required to take the learning, either in digital or in-person, and then acknowledge their adherence to the Principles.

The **five pillars** of our Principles of Responsibility:




Your Board of Directors, Key Managerial Personnel and Senior Management Officers abide by the Principle of Responsibility and issues a declaration of compliance on annual basis.

**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 under review.

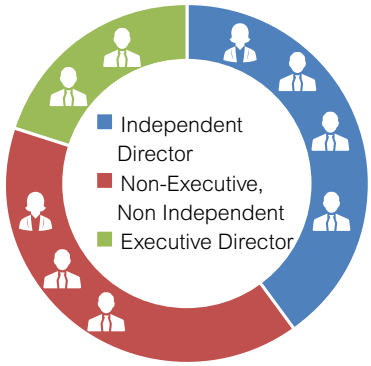
## BOARD OF DIRECTORS

The Board of Directors ("the Board") determines the Company's overall strategy and follows up on its implementation, supervises the performance, ensures adequate management and organisation and as such, actively contributes to developing the Company as a focused, sustainable, energy management and automation Company.

We believe that the Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence and separate its functions of governance and management. As on March 31, 2020, the Board of Directors has 9 (nine) members, 4 (four) of whom are Independent Non-Executive Directors, 2 (two) Executive Directors and 3 (three) Non-Independent Non-Executive Directors. The guiding principle in composing the Board of Directors is that it should comprise individuals whose knowledge and experience enables the Board of Directors as a whole to attend to the interests of shareholders, employees and other stakeholders. The Company has a Non-Executive Independent Chairman. 2 (two) out of 9 (nine) members are women, making up 22% of the Board's strength. The Company does not have any Nominee Director.

The profiles of Directors can be accessed at https://infra.schneider-electric.co.in/investor/boardofdirectors.

**Board Composition**




The Board composition is in conformity with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the Listing Regulations.

In Financial Year 2019-2020, the Board of Directors conducted 4 (four) board meetings on May 22, 2019; August 7, 2019; November 6, 2019; and February 05, 2020. The gap between any two consecutive meetings of the Board did not exceed 120 (one hundred and twenty) days. The tentative annual calendar of meetings is broadly determined at the beginning of each year. The Board approved 3 (three) matters by passing resolution(s) by circulation during FY 2019-2020.

## BOARD AGENDA

Meetings are governed by a structured agenda. Any of the Board member, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers along with notes are circulated 7 (seven) days prior to the Board meeting except for matters involving unpublished price sensitive information, notes for which are circulated near to the date of meeting in conformity with the general consent given by the Board in this regard.

All material information was circulated to the directors before the meeting or placed at the meeting, including 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 and that of the Act.

## SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met on February 5, 2020 without the attendance of non-independent directors and management of the Company. The Independent Directors discussed, among other matters, the performance of the Company and risk faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resources matter and performance of other executive and non-executive non-independent directors.

All the Independent Directors attended the said meeting.

None of the Independent and Non-Executive Directors held any equity shares or convertible instruments of the Company during the financial year ended March 31, 2020.

## CHAIRMAN OF THE BOARD

The Chairman leads the Board and upholds the highest standards of integrity, probity and corporate governance through setting clear expectations in terms of culture and values, as well as in terms of the style and tone of board discussions. The Chairman promotes constructive relationship and effective communication between the Directors. He also presides over General Meetings of Shareholders.

There is a clear demarcation of duties and responsibilities among the position of the Chairman of the Board and Chief Executive Officer of the Company to ensure best corporate performance.

**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 March 31, 2020, is tabulated hereunder:**

| Name of Director | Category of Directorship | No. of Board meetings attended | | | Whether attended last AGM held on September 12, 2019 | Number of Directorship in other entities@ | | Name of the listed Companies in which holding position of Director and category of Directorship | Number of Committee# positions held in other public companies | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Held | Attended | % | | All | Listed | | (including Chairmanship) | Chairman/ Chairperson |
| Vinod Kumar Dhall | Chairman – Non-Executive Independent Director | 4 | 4 | 100 | Yes | 3 | 2 | 1. Advani Hotels and Resorts (India) Limited – Independent Director<br>2. ICICI Securities Limited - Independent Director | 1 | 0 |
| Ranjan Pant | Non-Executive Independent Director | 4 | 4[a] | 100 | Yes | 1 | 0 | Nil | 2 | 2 |
| Subramanian Vishar Vasudevan | Non-Executive Independent Director | 4 | 4 | 100 | No | 0 | 0 | Nil | 0 | 0 |
| Geeta Mathur[b] | Non-Executive Independent Director | 2 | 2 | 100 | Not Applicable as on March 31, 2020 since not serving on Board | | | | | |
| Namrata Kaul[c] | Non-Executive Independent Director | 1 | 1 | 100 | Not Applicable | 3 | 1 | Prime Securities Limited - Independent Director | 2 | 0 |
| Anil Chaudhry | Non-Executive Director | 4 | 4[d] | 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 | 4[e] | 100 | No | 0 | 0 | Nil | 0 | 0 |
| Bruno Bernard Dercle | Managing Director & CEO | 4 | 4 | 100 | Yes | 0 | 0 | Nil | 0 | 0 |
| Piyush Pandey[f] | Whole Time Director | 4 | 3[g] | 75 | Yes | 0 | 0 | Nil | 0 | 0 |
| Vivek Sarwate[h] | Whole Time Director | Not Applicable since resigned w.e.f. May 22, 2019 | | | | | | | | |

@ Does not include Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

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

Notes:

[a] Mr. Ranjan Pant participated in 2 (two) meetings held on May 22, 2019 and November 6, 2019 via Skype Video Conferencing facility;

[b] Ms. Geeta Mathur was appointed on the Board w.e.f. April 1, 2019 and she resigned w.e.f. September 9, 2019 on account of conflict of interest;

[c] Ms. Namrata Kaul was appointed on Board w.e.f. close of business hours on November 6, 2019;

[d] Mr. Anil Chaudhry attended 1 (one) meeting held on May 22, 2019 via Skype Video Conferencing facility;

[e] Ms. Bidisha Nagaraj participated in 3 (three) meetings held on May 22, 2019, November 6, 2019 and February 5, 2020 via Skype Video Conferencing facility;

[f] Mr. Piyush Pandey was appointed on the Board w.e.f. May 22, 2019;

[g] Mr. Piyush Pandey attended 1 (one) meeting held on August 7, 2019 via Skype Video Conferencing facility;

[h] Mr. Vivek Sarwate resigned w.e.f. May 22, 2019.

**Further, w.r.t. directorship and membership of the Directors, it is hereby confirmed that none of the Directors:**

a) is a Director in more than 20 companies out of which directorship in public limited companies does not exceed 10 in terms of Section 165 the Act;

b) holds directorship in more than 8 listed entities pursuant to Regulation 17A(1) of the Listing Regulations;

c) acts as an Independent Director in more than 7 listed entities pursuant to Regulation 17A(1) of Listing Regulations;

d) is serving as an Independent Director in more than 3 listed entities in case they are Whole-Time Director of the company pursuant to Regulation 17A(2) of Listing Regulations;

e) is a member of more than 10 board level committees of Indian public limited companies;

f) is a Chairperson of more than 5 committees, across all companies in which he/she is a director;

g) is serving as a Non-Executive Director who has attained the age of 75 (seventy five) years, except Mr. Vinod Kumar Dhall, in respect of whom a special resolution has been passed by the members in their meeting held on September 14, 2018;

h) is related to other Director;

i) is serving as an Independent Director who has resigned before the expiry of his/ her tenure except Ms. Geeta Mathur who was appointed by the Board of Directors as a Non-Executive Independent Woman Director w.e.f. April 1, 2019 for a period of 3 years, resigned from the Board before expiry of her term on account of conflict of interest. Ms. Mathur resigned w.e.f. September 9, 2019. Your Company informed about the said resignation along with the reasons to the Stock Exchanges in compliance with the Listing Regulations. Ms. Mathur has confirmed in her resignation letter that there is no other reason for her resignation.

At the 9th Annual General Meeting held on September 12, 2019, the shareholders approved the appointment of Ms. Geeta Mathur as an Independent Non-Executive Director from April 1, 2019 till the

date of resignation i.e. September 9, 2019. The shareholders also approved the appointment of Mr. Piyush Pandey as a Whole-time Director of the Company for the period of 3 (three) years from May 22, 2019 to May 21, 2022.

**BOARD FAMILIARIZATION**

Your Company believes that a Board, which is well informed / familiarised with the Company and its affairs, can contribute significantly to effectively discharge its role in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors of the Company are updated on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.

On being appointed to the Board, each Director undergoes an induction programme which is tailored to their individual needs and also intends to provide an introduction to the Company's vision, mission, values, operations, challenges, structure and risks. Further, through regular formal reporting process and timely sharing of updates on the Company, it is ensured that our Directors stay updated about any significant changes therein on a continual basis.

Familiarisation pack is shared with the new appointee which includes various documents viz. Organisational structure, the Company's history and milestones, Memorandum & Articles of Association, latest Annual Report, Principles of Responsibility, Reports, Minutes of previous meetings, Policies & Charters etc. The Familiarisation policy of the Company can be accessed at: https://infra.schneider-electric.co.in/supervision/images/policies/policiesuFwYldN27L.pdf.

**DIVERSITY AND INCLUSION**

The Board continues to recognise that an appropriate mix of diversity and skills is key for introducing different perspectives into Board debate and for better anticipating the risks and opportunities in building a long-term sustainable business.

The Directors have extensive experience and a strong track record of value creation. It is a proven Board and management team and the Board believes it has the correct balance of skills, reflecting a broad range of commercial and professional skills that is necessary to ensure the Company is equipped to deliver its objective.

**The below table summarises the key qualifications, skills and attributes which are taken into consideration while nominating to serve on the Board:**

| | |
|---|---|
| Strategy and Planning | Ability to think strategically; identify and critically assess strategic opportunities and threats. |
| Industry Knowledge | Understanding of the 'big picture' in the given industry and recognises the development of industry segments, trends, emerging issues and opportunities. |
| Technology and Digitisation Perspective | Strong understanding of technology and innovation, and the development and implementation of initiatives to bring excellence. |
| Regulatory, Legal Governance, Risk and Compliance | Experience with a major organisation that demonstrates rigorous governance standards. |
| Financial Performance | Qualifications and experience in accounting and/or finance and the ability to analyse key financial statements. |
| Government Relations (Policy & Process) | Interaction with government and regulators and involvement in public policy decisions. |
| Marketing and Communication | Knowledge of and experience in marketing services to members and public promotion campaigns. |
| Member and Stakeholder engagement | High level reputation and the ability to effectively engage and communicate with key stakeholders. |
| Integrity (ethics) | High level reputation and the ability to effectively engage and communicate with key stakeholders. |
| Constructive Questioner | The preparedness to ask questions and challenge management and peer Directors in a constructive and appropriate way about key issues. |
| Critical and Innovative thinker | The ability to critically analyse complex and detailed information, readily distil key issues and develop innovative solutions to problems. |

As set out in the table below, each member of the Board offers a range of core skills and experience that is relevant to the successful operation of the Company. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skills:

| Board of Directors as on March 31, 2020 | Areas of Expertise | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Collective Skills | | | | | | | | Personal Attributes | | |
| | Strategy and planning | Industry Knowledge | Technology and Digitisation perspective | Regulatory, legal Governance, Risk and Compliance | Financial Performance | Government Relations (policy & process) | Marketing & Communications | Member and stakeholder engagement | Integrity (ethics) | Constructive Questioner | Critical and innovative thinker |
| Vinod Kumar Dhall | √ | - | - | √ | √ | √ | - | √ | √ | √ | √ |
| Ranjan Pant | √ | √ | √ | - | √ | - | √ | √ | √ | √ | √ |
| VS Vasudevan | √ | - | - | √ | √ | - | - | √ | √ | √ | √ |
| Namrata Kaul | √ | - | √ | √ | √ | - | - | √ | √ | √ | √ |
| Anil Chaudhry | √ | √ | √ | √* | √ | √ | √ | √ | √ | √ | √ |
| Sugata Sircar | √ | - | √ | √ | √ | - | - | - | √ | √ | √ |
| Bidisha Nagaraj | √ | √ | √ | - | - | - | √ | √ | √ | √ | √ |
| Piyush Pandey | √ | √ | √ | - | √ | - | √ | - | √ | √ | √ |
| Bruno Bernard Dercle | √ | √ | √ | - | √ | - | √ | √ | √ | - | √ |

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

## SUCCESSION PLANNING

Succession Planning is essential for an organisation since it benefits in identifying key roles and mapping out ways to ensure that the organisation has the right people with the right blend of skills, aptitude, expertise and experiences, in the right place and at the right time.

The Nomination and Remuneration Committee of the Company reviews the succession plan for the appointments made to the Board of Directors as well as of Key Managerial Personnel (KMP) and Senior Management Positions on an annual basis. The Board of Directors are satisfied that plans are in place for orderly succession for the appointment of Board members, KMPs and other senior employees.

## CONFIRMATION

The Independent Directors provide an annual confirmation that they meet the criteria of independence.

Based on the confirmations / disclosures received from the Independent Directors in terms of Regulation 25(9) of the Listing Regulations, the Board is of the opinion that the Independent Directors fulfil the criteria or conditions specified under the Act and under the Listing Regulations and are independent of the management.

## CODE OF BUSINESS CONDUCT AND ETHICS

The Company has in place a comprehensive Code of Conduct – Principle of Responsibility ('POR') applicable to all the Board members, Senior Management and employees of the Company. The details of the same are provided at the beginning of this report.

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(S)

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.

The certificate from M/s. MNK & Associates, Practising Company Secretary [CP: 8245 (FCS: 6529)] issued as per requirements of Schedule V of the Listing Regulations, confirming that none of the Directors in the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by Securities & Exchange Board of India (SEBI)/ Ministry of Corporate Affairs or any such statutory authority the draft of which was placed before the Board for confirmation, is enclosed to this Report as **Annexure C**.

## BOARD COMMITTEES

The Board in conjunction with its Committees ensures transparency, responsibility and accountability with an aim to create long term sustainable growth. The Board as on March 31, 2020, had 6 (Six) Committees: Audit Committee, Nomination and Remuneration Committee; Stakeholders Relationship Committee; Corporate Social Responsibility Committee; Risk Management Committee and Finance and Banking Committee. All Committees except Finance and Banking Committee comprises of Independent Directors as its members.

| Name of the Director | Audit Committee | Nomination and Remuneration Committee | Stakeholders Relationship Committee | Corporate Social Responsibility Committee[1] | Risk Management Committee[1] | Finance and Banking Committee[1] |
|---|---|---|---|---|---|---|
| Vinod Kumar Dhall | (C) | | | | | |
| Ranjan Pant | | | | | | |
| VS Vasudevan | | (C) | (C) | | | |
| Namrata Kaul[2] | | | | | | |
| Bruno Bernard Dercle | | | | | | |
| Anil Chaudhry | | | | | | |
| Sugata Sircar | | | | | | |
| Bidisha Nagaraj | | | | | | |
| Piyush Pandey | | | | | | |

(C)Chairmanship

[1] With respect to the Corporate Social Responsibility Committee; Risk Management Committee and Finance and Banking Committee, the Chairman is appointed at the start of each meeting.

[2] Ms. Namrata Kaul was appointed as member of Audit Committee and Risk Management Committee w.e.f. February 5, 2020.

Ms. Bhumika Sood, Company Secretary and Compliance Officer of the Company acts as the Secretary of the Committees.

The Committees meet periodically or when required. The Board of Directors elects the Members of these Committees. Minutes of the meetings are prepared and distributed to all the members of the Committee and the Board of Directors. The Chairman of the respective committees also report verbally to the next meeting of the Board of Directors regarding the matters discussed and submit, where necessary, the respective motions to the Board of Directors.

### AUDIT COMMITTEE

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

The Audit Committee of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations.
- safeguarding of assets and adequacy of provisions for all liabilities.
- reliability of financial and other management information and adequacy of disclosures.
- compliance with all relevant statutes.

Besides, the role of the Committee includes:

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 credibles.
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 the statutory auditors.
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 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, 2020, the Audit Committee of the Board comprises of 5 (five) Non-Executive Directors, 4 (four) 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 Chief Executive Officer (CEO), Chief Financial Officer (CFO), Internal Auditor and the Statutory Auditors regularly attend the meeting of the Audit Committee as permanent invitees. The Audit Committee invites such executives, as it considers appropriate, to brief the Audit Committee on important matters.

**Audit Committee: Composition, Meetings and Attendance Details:**

| | Date of Meetings[1] | | | | Held | | |
|---|---|---|---|---|---|---|---|
| Name of Director | May 22, 2019 | August 7, 2019 | November 6, 2019 | February 5, 2020 | during tenure | Attended | % |
| Vinod Kumar Dhall[C] | P | P | P | P | 4 | 4 | 100 |
| Ranjan Pant | 🎥 | P | x | P | 4 | 3 | 75 |
| VS Vasudevan | P | P | P | P | 4 | 4 | 100 |
| Sugata Sircar | P | P | P | P | 4 | 4 | 100 |
| Namrata Kaul[2] | _ | _ | _ | _ | 0 | 0 | NA |

C: Chairperson; P: Present in Person; 🎥: Attendance through Video Conference; X: Leave of Absence

[1] The maximum gap between any two meetings was less than 120 (one hundred and twenty) days.

[2] Ms. Namrata Kaul was appointed as member of the Committee w.e.f. February 5, 2020 by the Board of Directors in their meeting held on same date.

In addition to the Audit Committee Meetings, the Committee approved 4 (four) matters through circulation.

The Chairperson of the Audit Committee was present at the 9th Annual General Meeting to answer shareholders' queries.

As part of the Board's annual evaluation of its effectiveness and that of its Committees, the Audit Committee assessed its own effectiveness. The members of the Audit Committee agreed that its overall performance had been effective during the year.

The Board accepted all the recommendations made by the Committee in FY 2019-2020.

**NOMINATION AND REMUNERATION COMMITTEE**

The role and terms of reference of the Nomination and Remuneration Committee (NRC) 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.

The NRC is responsible for making recommendations to the Board on the structure, size and composition of the Board, ensuring that the appropriate mix of skills, experience, diversity and independence is present on the Board for it to function effectively. The NRC also leads the process for new Board appointments, advises the Board on succession planning arrangements and oversees the development of management talent within the Group.

Besides, the role of the Committee inter-alia includes the below:

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 & 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;
8. Making recommendations to the Board on the appointment and retirement of directors and ensuring that there is an appropriate induction program 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.

As part of the Board's annual evaluation of its effectiveness and that of its Committees, as described later in the report, the NRC assessed its own effectiveness. The members of the NRC agreed that its overall performance had been effective during the year.

The Board accepted all the recommendations made by the Committee in FY 2019-2020.

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, 2020, the Nomination and Remuneration Committee of the Board comprises of 4 (four) Non-Executive Directors, 3 (three) of whom are Independent and 1 (one) is Non-Executive Director. The Chairperson of the Nomination and Remuneration Committee is a Non-Executive Independent Director.

**Nomination and Remuneration Committee: Composition, Meetings and Attendance Details**

| Name of Director | Date of Meetings May 22, 2019 | Date of Meetings November 6, 2019 | Held during tenure | Attended | % |
|---|---|---|---|---|---|
| VS Vasudevan [C] | P | P | 2 | 2 | 100 |
| Vinod Kumar Dhall | P | P | 2 | 2 | 100 |
| Ranjan Pant | 🎥 | X | 2 | 1 | 50 |
| Anil Chaudhry | X | P | 2 | 1 | 50 |

C: Chairperson; P: Present in Person; 🎥: Attendance through Video Conference; X: Leave of Absence
In addition to the Nomination and Remuneration Committee Meetings, the Committee approved 1 (one) matter through circulation.

The Chairperson of the Nomination and Remuneration Committee was present at the 9th (Ninth) Annual General Meeting to answer shareholders' queries.

**Performance Evaluation Criteria**

The Company undertakes a formal assessment of the operation of the Board, Board Committees, individual directors including Independent Directors & Chairman annually. The evaluation is an important part of the Board's corporate governance framework. In terms of the requirements of the Act, the Listing Regulations and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2017, the Company carries out a comprehensive Board effectiveness review every year.

The evaluation was based on the criteria and framework adopted by the Nomination and Remuneration Committee and the evaluation was led by its Chairman.

The evaluation was carried out through tailored questionnaires which were pragmatically structured to draw out significant issues that were relevant to the Board; each of the Board Committees and the individual directors to assist in identifying any areas for improvement as given below:

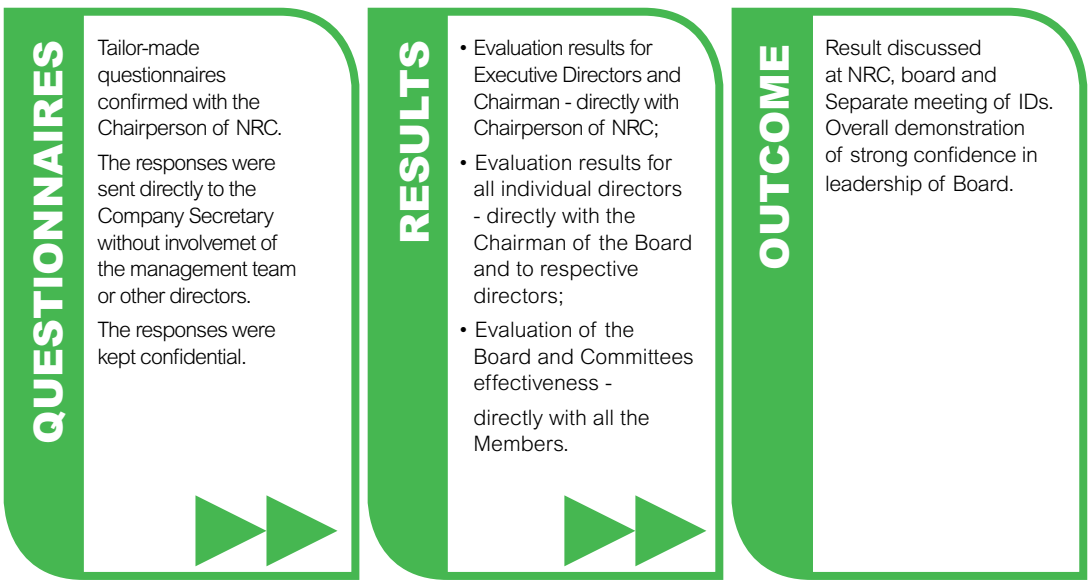
**Chairman:** Demonstration of effective Leadership; Objectivity in discussions; Constructive communication & relationship with other directors, CEO and Committee Chairpersons.

**Individual Directors:** Preparedness and participation of the Director for the meetings; Quality of discussions during meetings; Effectiveness of Director; Quality of the value additions made; Independence in case of Independent Directors.

**Board Committees:** Committee Meeting & Information; Committee Composition & Operation; Specific Committee responsibilities; Progress against development areas.

**Board as a Whole:** Assessment of Company as a whole, its performance, its goals etc.; Composition and structure; Practices and quality; Progress against development areas.

**Process followed for Conducting the Board Evaluation:**



**Outcome of Performance Evaluation**

Overall, the review determined that the Board has been functioning as a unified body which is well engaged with different perspectives. There is a good balance of skills and experience on the Board to ensure the delivery of stakeholder goals.

It was observed that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are being brought up and discussed in the Committee Meetings.

The Members recorded their overall satisfaction on the board evaluation process.

**Director Remuneration**

The Nomination and Remuneration Committee determines and recommends to the Board, the compensation payable to the directors. All Board-level compensation is approved by the shareholders and disclosed separately in the financial statements. Remuneration for the executive directors comprises a fixed component and a variable (Short-Term Incentive Plan/ STIP) component which is subject to the achievement of certain milestones by the Company and performance of individual director, as per Company policy. The Nomination and Remuneration Committee makes an annual appraisal of the performance of the executive directors. The annual compensation of the executive directors is approved by the Nomination and Remuneration Committee followed by Board and placed before the shareholders at the shareholders' meeting.

As required under the Listing Regulations, the Nomination and Remuneration Committee recommend to the Board, the payment of remuneration to senior management. Remuneration Policy and Criteria for the appointment of Director Policy of the Company is available on our website at https://infra.schneider-electric.co.in/supervision/images/policies/policiesi9nEqpDA7e.pdf.

The compensation payable to the independent directors is limited to sitting fee for participation in Board meetings and meetings of Board level Committees i.e. Audit, Stakeholders, Nomination and Remuneration, Corporate Social Responsibility and Risk Management Committee(s) and no other payments are made to Non-Executive Directors of the Company.

In accordance with the Listing Regulations, no employee, including key managerial personnel or director or promoter of a listed entity, shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit-sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution. During the year, there were no such instances.

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 sitting fee paid to the Independent Directors during Financial Year 2019-2020 are as follows:**

(Amount in ₹)

| Name of the Director | Sitting Fees | Total |
|---|---|---|
| Vinod Dhall | 8,80,000 | 8,80,000 |
| Ranjan Pant | 7,20,000 | 7,20,000 |
| VS Vasudevan | 8,40,000 | 8,40,000 |
| Namrata Kaul[1] | 80,000 | 80,000 |
| Geeta Mathur[2] | 1,60,000 | 1,60,000 |

[1] Appointed w.e.f. close of business hours November 6, 2019.

[2] Appointed w.e.f. April 1, 2019 and resigned w.e.f. September 9, 2019 and have participated in 2 (two) board meetings during her tenure.

**The details of remuneration paid/ payable to Executive Directors during the Financial Year 2019-2020 are as follows:**

| Particulars of Remuneration | Bruno Bernard Dercle | Vivek Sarwate[1] | Piyush Pandey[2] |
|---|---|---|---|
| **1. Gross salary** | | | |
| (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 | 25,384,987 | 1,301,005 | 6,188,301 |
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1,113,984 | 139,899 | 6,794 |
| (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | |
| **Total** | **26,498,971** | **1,440,904** | **6,195,095** |

[1] Resigned w.e.f. May 22, 2019.

[2] Appointed w.e.f. May 22, 2019.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive and/or Independent Directors apart from the remuneration as above.

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

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company recognises the worth of sustaining an ongoing relation with the Company's stakeholders to ensure a mutual understanding of the Company's strategy, performance and governance.

The Committee oversees redressal of shareholder and investor grievances and, inter alia, approves transmission of shares, sub-division / consolidation / renewal of share certificates, issue of duplicate share certificates etc. The Committee also reviews the shareholding distribution; movement in shareholding pattern; and comparative details on demat and physical holding.

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 composition, 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, 2020, the Stakeholders Relationship Committee of the Board comprises of 3 (three) Directors, 2 (two) of whom are Independent and 1 (one) is an Executive Director. The Chairperson of the Committee is a Non-Executive Independent Director.

**Stakeholders Relationship Committee: Composition, Meetings and Attendance Details**

| | Date of Meeting | | | |
|---|---|---|---|---|
| **Name of Director** | **February 5, 2020** | **Held during tenure** | **Attended** | **%** |
| VS Vasudevan [C] | P | 1 | 1 | 100 |
| Ranjan Pant | P | 1 | 1 | 100 |
| Bruno Bernard Dercle | P | 1 | 1 | 100 |

C: Chairperson; P: Present in Person;

In addition to the Stakeholders Relationship Committee Meeting, the Committee approved 4 (four) matters through circulation for approving issuance of share certificates.

As part of the Board's annual evaluation of its effectiveness and that of its Committees, as described earlier in the report, the Stakeholders Relationship Committee assessed its own effectiveness. The Committee members are sufficiently satisfied that they have complied with the responsibilities as outlined in the Committee Charter and that the Committee's overall performance had been effective during the year. The Board accepted the recommendations, if any, made by the Committee in FY 2019-2020.

### Nodal officer

The Board has appointed Ms. Bhumika Sood, Company Secretary & Compliance Officer, as Nodal Officer effective July 27, 2018 to ensure compliance with Investor Education Protection Fund (IEPF) Rules.

### Compliance Officer

Ms. Bhumika Sood, Company Secretary, have been appointed as the Compliance Officer since 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, as amended.

**Investor Complaints**

The status of investor complaints is reported to the Board on quarterly basis. During FY 2019-2020, 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, 2019 till March 31, 2020 is as under:

| Sr. No | Nature of complaints /letters and correspondence | Received | Replied | Number of Pending Complaints |
|---|---|---|---|---|
| 1 | Non-receipt of Shares after Transmission | 4 | 4 | 0 |
| 2 | Non-receipt of Annual Report and Dividend | 2 | 2 | 0 |
| 3 | Conversion into Remat & Demat /Split/ Communication to be in physical mode and others | 2 | 2 | 0 |
| **Total** | | **8** | **8** | **0** |

**RISK MANAGEMENT COMMITTEE**

The role of the Risk Management Committee, constituted pursuant to Regulation 21 of the Listing Regulations, is inter alia to approve the strategic risk management framework of the Company, and review the risk mitigation strategies and results of risk identification, prioritisation & mitigation plans for business, as also the measures taken for cyber security.

**Role of the Committee:**

1. Ensure compliance with Risk Management Policy.
2. Review adequacy and effectiveness of Business Risk Management.
3. Review the organisation 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 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, 2020, the Risk Management Committee of the Board comprises of 4 (four) Directors, out of which 3 (three) are Independent and 1 (one) is an Executive Director. There is no appointed chairman for the Risk Management Committee.

**Risk Management Committee: Composition, Meetings and Attendance Details**

| | Date of Meeting | | | |
|---|---|---|---|---|
| **Name of Director** | **February 5, 2020** | **Held during tenure** | **Attended** | **%** |
| VS Vasudevan | P | 1 | 1 | 100 |
| Ranjan Pant | P | 1 | 1 | 100 |
| Bruno Bernard Dercle | P | 1 | 1 | 100 |
| Namrata Kaul[1] | | NA | | |

P: Present in Person;
[1]Ms. Namrata Kaul has been inducted as member of the Committee w.e.f. February 5, 2020 by the Board in its meeting held on same date.

As part of the Board's annual evaluation of its effectiveness and that of its Committees, as described earlier in the report, the Risk Management Committee assessed its own effectiveness. The members of the Committee agreed that its overall performance had been effective during the year.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) 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 CSR Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Act recommending the amount of expenditure to be incurred and monitoring the CSR Policy of the Company.

As part of the Board's annual evaluation of its effectiveness and that of its Committees, the CSR Committee assessed its own effectiveness. The members of the CSR Committee agreed that its overall performance had been effective during the year.

As on March 31, 2020, the CSR Committee of the Board comprises of 3 (three) Directors, out of which 2 (two) are Independent and 1 (one) is an Executive Director. There is no appointed chairman for the CSR Committee.

**Corporate Social Responsibility Committee: Composition, Meetings and Attendance Details**

| | Date of Meeting | | | |
|---|---|---|---|---|
| **Name of Director** | **February 5, 2020** | **Held during tenure** | **Attended** | **%** |
| VS Vasudevan | P | 1 | 1 | 100 |
| Ranjan Pant | P | 1 | 1 | 100 |
| Bruno Bernard Dercle | P | 1 | 1 | 100 |

P: Present 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 especially relating to banking operations. The Committee comprises of 3 (three) Directors including 2 (two) Non-Executive Non-Independent Directors and 1 (one) Executive Director. The Committee met 3 (three) times during the FY 2019-2020 viz. May 22, 2019, August 7, 2019 and November 6, 2019.

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

## GENERAL BODY MEETINGS

### ANNUAL GENERAL MEETINGS

| Day, Date Time | Location | Particulars of Special Resolution |
|---|---|---|
| Friday,<br>September 22, 2017<br>11:00 A.M | The Gateway Hotels Vadodara, Akota Garden, Akota, Vadodara - 390020, Gujarat, India. | 1. Alteration in the Memorandum of Association of the Company as per Companies Act, 2013.<br>2. Alteration in the Articles of Association of the Company as per the Companies Act, 2013.<br>3. Material Related Party transaction(s) limit of the Company.<br>4. Participation of Employees of Company 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 under Scheme for 2016-17. |

| Day, Date Time | Location | Particulars of Special Resolution |
|---|---|---|
| Friday,<br>September 14, 2018<br>11:00 A.M | Four Point Sheraton, 1275, Ward No.7, Fateh Gunj, Vadodara, Gujarat - 390002, India | 1. Re-Appointment of Mr. Vivek Sarwate (DIN: 07424152) as Whole-Time Director in Professional Capacity.<br>2. Re-Appointment of Mr. Prakash Kumar Chandraker (DIN: 05150366) as Managing Director and Chief Executive Officer in Professional Capacity.<br>3. Appointment of Mr. Bruno Bernard Dercle (DIN: 08185909) as Managing Director and Chief Executive Officer (CEO) of the Company in Professional Capacity.<br>4. Re-Appointment of Mr. Vinod Kumar Dhall (DIN: 02591373) as an Independent Director for a second and final term of 3 (three) years effective from May 22, 2019 till May 21, 2022 and continuation of Directorship after attainment of 75 years of age.<br>5. Re-Appointment of Mr. Ranjan Pant (DIN: 00005410) as an Independent Director for a second and final term of 3 (three) years effective from May 22, 2019 till May 21, 2022.<br>6. Re-Appointment of Mr. Vishar Subramanian Vasudevan (DIN: 00130205) as an Independent Director for a second and final term of 3 (three) years effective from May 22, 2019 till May 21, 2022.<br>7. Participation in the World Employee Share Ownership Plan (WESOP) Scheme. |
| Thursday,<br>September 12, 2019<br>11:00 A.M | Taj Vivanta, Akota Garden, Akota, Vadodara 390020, Gujarat, India | 1. Appointment of Mr. Piyush Pandey (DIN: 08451135) as the Whole-Time Director of the Company in Professional capacity.<br>2. Participation in the Worldwide Employee Share Ownership Plan (WESOP) Scheme. |

**EXTRAORDINARY GENERAL MEETING**

No Extraordinary General Meeting of the members was held during Financial Year 2019-2020.

**POSTAL BALLOT**

There were no resolutions passed during Financial Year 2019-2020 through Postal Ballot.

**PROPOSAL FOR POSTAL BALLOT AND PROCEDURE FOR POSTAL BALLOT**

During the current Financial Year 2020-2021, the Company has initiated a postal ballot process, pursuant to the provisions of Section 110 of the Act, read with the Companies (Management and Administration) Rules, 2014, General Circular No. 14/2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 issued by Ministry of Corporate Affairs, Government of India, for seeking approval of the shareholders w.r.t. increasing the borrowing powers of the board and setting authorisation limit to secure the borrowings under Section 180(1)(c) and 180(1)(a) of the Act.

In view of the current extraordinary circumstances, due to non-availability of postal and courier services, on account of threat posed by COVID19 pandemic situation and pursuant to the relaxations issued by the government, the Company has sent the Postal Ballot Notice in electronic form only to those shareholders who have registered their email ids with the Company/ Registrar and Share Transfer Agent or their Depository Participants as on May 15, 2020 (Cut-off Date). Further, the communication of the assent or dissent of the members would take place through the remote e-voting system only.

In compliance with Sections 108 and 110 and other applicable provisions of the Act, read with the related rules and circulars issued by the Government of India, the Company provided electronic voting (e-voting) facility, to all its members. For this purpose, the Company has engaged the services of National Securities Depositories Limited (NSDL). The Company also published a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules and circulars issued thereunder.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the Cut-off Date.

The e-voting period commenced on Saturday, May 23, 2020 (9.00 a.m. IST) and ends on Sunday, June 21, 2020 (5.00 p.m. IST). The results will be declared on or before Tuesday, June 23, 2020.

The scrutiniser after completion of his scrutiny will submit his report to the Chairman or any person authorised by Chairman, and the results of the voting will be announced by the Chairman / authorised officer. The results will also be displayed on the Company website, besides being communicated to the Stock Exchanges, Depository and Registrar and Share Transfer Agent. The last date for e-voting will be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

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 except as mentioned above.

**MEANS OF COMMUNICATION:**

Your Company focuses on prompt, continuous and efficient communication to all its stakeholders.

**QUARTERLY RESULTS:**

The quarterly/ half-yearly/ annual results along with the audit/ limited review report, investor presentations are filed with the stock exchanges immediately after the approval of the Board. The Financial Results are displayed on the Company's website at https://schneider-infra.in

**NEWSPAPER PUBLICATION:**

The results are published in at least one prominent national and one regional newspaper having wide circulation.

**PRESENTATIONS MADE TO THE INSTITUTIONAL INVESTORS:**

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

**WEBSITE:**

Your Company maintains an active website i.e., https://infra.schneider-electric.co.in/investor wherein all the information relevant for the Shareholders are displayed including Quarterly Results, Presentations to Analysts and Institutional Investors, Policies of the Company, Earnings Conference Call Transcripts, Shareholding Pattern, Stock Exchange Disclosures, Annual Reports, etc. as required under Regulation 46 of the Listing Regulations.

**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.

However in view of the General Circular No. 20/2020 dated May 5, 2020 issued by Ministry of Corporate Affairs, Government of India, relaxations issued by SEBI and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall be sent only by email to the members and to all other persons so entitled. The Company shall be complying with the legal provisions around the same.

**GENERAL SHAREHOLDERS' INFORMATION**

ANNUAL GENERAL MEETING FOR FY 2019-2020

**Date** : September 08, 2020

**Day** : Tuesday

**Time** : 3.30 p.m. [IST]

**Venue** : In view of the General Circular No. 20/2020 dated May 5, 2020 issued by Ministry of Corporate Affairs, Government of India, the meeting will be held through Video Conferencing facility. For details please refer to the Notice of ensuing 10th AGM.

## FINANCIAL YEAR

The Financial year of the Company commences on April 01 of each year and ends on March 31 of subsequent year. For Financial Year 2019-2020, the Board of Directors approved the quarterly financials for each quarter on following dates:

| | | |
|---|---|---|
| First Quarter Results | : | August 07, 2019 |
| Second Quarter and Half Yearly Results | : | November 06, 2019 |
| Third Quarter and Nine Months Results | : | February 05, 2020 |
| Fourth Quarter and year end Results | : | June 16, 2020 |

The tentative dates of meeting of the Board to consider and approve the quarterly financial results for FY 2020-2021 are as follows:

| | | |
|---|---|---|
| First Quarter Results | : | Second week of August, 2020 |
| Second Quarter and Half Yearly Results | : | Second week of November 2020 |
| Third Quarter and Nine Months Results | : | Second week of February 2021 |
| Fourth Quarter and year end Results | : | Fourth week of May 2021 |

## BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 02, 2020 to Tuesday, September 08, 2020 (both days inclusive).

## DIVIDEND PAYMENT DATE

Not Applicable

## LISTING ON STOCK EXCHANGES

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

The Company has paid Annual Listing Fees as applicable to both BSE and NSE.

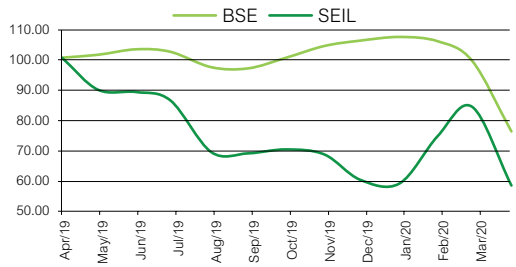
The ISIN of Schneider Electric Infrastructure Limited on both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is INE839M01018.

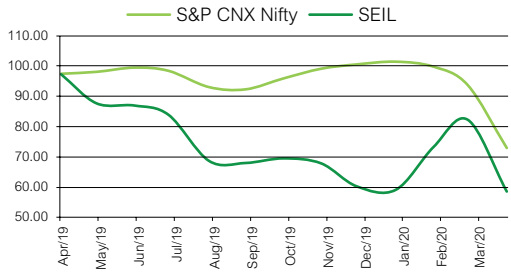
## MARKET PRICE DATA

High, Low (based on the closing prices) during each month of FY 2019-2020 on BSE, NSE, BSE Sensex and S&P CNX Nifty are given below:

| | BSE | | BSE SENSEX | | NSE | | S&P CNX Nifty | |
|---|---|---|---|---|---|---|---|---|
| Month | High | Low | High | Low | High | Low | High | Low |
| April 2019 | 115.30 | 98.95 | 39,487.45 | 38,460.25 | 120.00 | 98.80 | 11787.15 | 11575.95 |
| May 2019 | 107.50 | 88.65 | 40,124.96 | 36,956.10 | 107.50 | 88.20 | 11945.90 | 11148.20 |
| June 2019 | 106.55 | 87.55 | 40,312.07 | 38,870.96 | 106.00 | 87.55 | 12088.55 | 11672.15 |
| July 2019 | 99.50 | 76.95 | 40,032.41 | 37,128.26 | 99.80 | 76.25 | 11946.75 | 11085.40 |
| August 2019 | 80.65 | 70.60 | 37,807.55 | 36,102.35 | 81.00 | 70.35 | 11109.65 | 10741.35 |
| September 2019 | 89.00 | 73.00 | 39,441.12 | 35,987.80 | 89.00 | 72.85 | 11600.20 | 10704.80 |
| October 2019 | 78.90 | 66.00 | 40,392.22 | 37,415.83 | 79.80 | 66.70 | 11877.45 | 11126.40 |
| November 2019 | 80.30 | 64.00 | 41,163.79 | 40,014.23 | 80.55 | 63.80 | 12151.15 | 11840.45 |
| December 2019 | 71.80 | 60.60 | 41,809.96 | 40,135.37 | 71.95 | 60.55 | 12271.80 | 11856.80 |
| January 2020 | 92.90 | 65.45 | 42,273.87 | 40,476.55 | 92.95 | 65.35 | 12362.30 | 11962.10 |
| February 2020 | 113.90 | 75.15 | 41,709.30 | 38,219.97 | 114.00 | 75.10 | 12201.20 | 11201.75 |
| March 2020 | 98.15 | 58.00 | 39,083.17 | 25,638.90 | 98.90 | 58.00 | 11303.30 | 7610.25 |

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 and other communications regarding share certificates, change of address, etc. can be lodged with 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 are generally processed within the prescribed time as per the Listing Regulations, after the confirmation from RTA on the completeness of documentation. The Company's Registrars, have adequate infrastructure to serve the shareholders and process the share transfers.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains a certificate on half yearly basis, from the Company Secretary in practice confirming due compliance of share transfer formalities by the Company and files the same with stock exchanges.

Audits on quarterly basis, 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, 2020**

| Sl. No. | Category | No. of Equity Shares held | Percentage % |
|---|---|---|---|
| 1 | **Promoter Holding** | | |
| | Indian Promoter | 168735367 | 70.57 |
| | Foreign Promoter | 10592659 | 4.43 |
| 2 | **Public Holding** | | |
| | Insurance Companies | 3907457 | 1.64 |
| | Financial Institutions and Banks | 126323 | 0.05 |
| | Mutual Funds | 19984382 | 8.36 |
| | Foreign Portfolio Investors | 170981 | 0.07 |
| | Corporate Bodies | 3643149 | 1.52 |
| | Non-resident Indians, Overseas Corporate Bodies and Foreign Nationals | 1202989 | 0.50 |
| | Directors and their Relatives | -- | -- |
| | General Public | 29121904 | 12.18 |
| | Others - Clearing Member | 69682 | 0.03 |
| | Others - Trust | 87300 | 0.04 |
| | Others - State Government | 1405 | 0.00 |
| | IEPF | 1460437 | 0.61 |
| | **Total** | **239104035** | **100** |

## DISTRIBUTION OF SHAREHOLDING

| No. of Shares | No. of Shareholders | % of total Shareholders | No. of Shares | Shareholding (%) |
|---|---|---|---|---|
| 1 - 500 | 40458 | 82.41 | 5629436 | 2.35 |
| 501 - 1000 | 4032 | 8.21 | 3250175 | 1.36 |
| 1001 - 2000 | 2206 | 4.49 | 3359242 | 1.41 |
| 2001 - 3000 | 860 | 1.75 | 2221532 | 0.93 |
| 3001 - 4000 | 401 | 0.82 | 1456195 | 0.61 |
| 4001 - 5000 | 331 | 0.67 | 1560265 | 0.65 |
| 5001 - 10000 | 494 | 1.01 | 3595090 | 1.50 |
| 10001 - 50000 | 268 | 0.55 | 5102509 | 2.13 |
| 50001 - 100000 | 19 | 0.04 | 1380841 | 0.58 |
| 100001 - and above | 25 | 0.05 | 211548750 | 88.48 |
| **Total** | **49094** | **100.00** | **239104035** | **100.00** |

## 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, 2020 a total of 237202608 Equity Shares of the Company, constituting 99.21 % of the paid-up share capital stands dematerialised.

## 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 does not have any exposure through commodity derivatives.

During the financial year 2019-2020, the Company has managed the foreign exchange risks and hedged to the extent considered necessary. The Company has entered into hedging contracts equivalent to 10 MEUR including Short term hedging for 1-3 months under SHF (Simplified Hedging Facility).

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 honored for the respective liability on maturity.

The figures relating to foreign currency exposures are disclosed in Notes to the 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<br>Post Office Jarod, Vadodara- Halol Highway,<br>Vadodara-Gujarat- 391510 |
| Vadodara- Transformer Factory | : | Milestone 87, Village Kotambi<br>Post Office Jarod, Vadodara- Halol Highway,<br>Vadodara-Gujarat- 391510 |
| Kolkata Factory | : | Block BN3, Sector V,<br>Salt Lake City,<br>Kolkata, West Bengal- 700091 |

## ADDRESS FOR CORRESPONDENCE

| | |
|---|---|
| **Company's Registered Office Address**<br>Schneider Electric Infrastructure Limited<br>Milestone 87, Village Kotambi<br>Post Office Jarod, Vadodara- Halol Highway<br>Vadodara-Gujarat- 391510<br>Website: www.schneider-infra.in<br>CIN : L31900GJ2011PLC064420 | **Registrar and Transfer Agent**<br>**C B Management Services (P) Limited**<br>Address: P-22, Bondel Road, Kolkata - 700 019<br>Telephone: +91 33 40116700<br>22806692/22870263/22823643<br>Fax: +91 33 40116739<br>E-mail: rta@cbmsl.com |
| **Compliance Officer**<br>**Ms. Bhumika Sood**<br>Company Secretary & Compliance Officer<br>Tel : +91 0124 – 3940400<br>email: company.secretary@schneider-electric.com | **Investor Relations**<br>**Mr. Vineet Jain**<br>Tel: +91 0124 - 3940400<br>email: Vineet.Jain@se.com /<br>investor.relation@schneider-electric.com |
| **Retail Shareholders**<br>**Ms. Bhumika Sood**<br>Company Secretary & Compliance Officer<br>Tel: +91 0124 – 3940400<br>email: company.secretary@schneider-electric.com | **Corporate Office:**<br>9th & 10th Floor, DLF Building No. 10<br>Tower C, DLF Cyber City, Phase -II<br>Gurugram - 122 002<br>Tel. No. 91 124 7152300<br>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 the Listing Regulations, all the related party transactions were at arm's length basis and in ordinary course of business and the same were duly approved by the Audit Committee.

Sub-regulation (1) of Regulation 23 of the 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."

During the Financial Year 2019-2020, no transactions have been entered into with the related parties which required the approval of the Board of Directors/shareholders of the Company under the Act or the Listing Regulations. Further, there were no materially significant related party transactions that had potential conflict of interests of the Company at large.

Proper disclosures of the Key Managerial Personnel (KMP), if any, 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/supervision/images/policies/policiesyn0kCFEtav.pdf.

The management updates the Audit Committee on the related party transactions, on quarterly basis. 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 the 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 period covered by this report.

### c) WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy/Vigil Mechanism as required by Regulation 22 of the Listing Regulations and Section 178 of the Act for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation. The said policy is available on the website of the Company at the link https://infra.schneider-electric.co.in/supervision/images/policies/policiesg7dbFlyt0Q.pdf.

During the year, the concerns reported under this mechanism were scrutinised and appropriate actions have been undertaken. It is also affirmed that no personnel have been denied access to the Audit Committee.

The Audit Committee looks into matters reported on a quarterly basis and track matters to closure.

### d) DISCRETIONARY REQUIREMENTS

It is confirmed that the mandatory requirements as per the Listing Regulations are complied with and the non-mandatory provisions are adopted, wherever necessary. The status of implementation of discretionary requirements as stated under Part E of Schedule II under Regulation 27(1) of the 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 www.schneider-infra.in |
| **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. |

### DISCLOSURE ON COMPLIANCE

Your Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, as per the details given below. A certificate to this effect from Mohd. Nazim Khan, Practicing Company Secretary is enclosed with this report as **Annexure D**.

Further, securities of the Company have not been suspended for trading at any point of time during the Financial year ended March 31, 2020.

| S. No. | Particulars | Regulation | Compliance Status (Yes/No/NA) | Complied with the following |
|---|---|---|---|---|
| 1 | Board of Directors | 17 | Yes | ✓ Composition {17(1)}<br>✓ Frequency of Meetings {17(2)}<br>✓ Review of Compliance Report {17(3)}<br>✓ Plans for orderly succession for appointments {17(4)}<br>✓ Code of Conduct {17(5)}<br>✓ Fees / compensation to Non-Executive Directors {17(6)}<br>✓ Minimum information to be placed before the Board {17(7)}<br>✓ Compliance Certificate {17(8)}<br>✓ Risk assessment and management {17(9)}<br>✓ Performance evaluation of Independent Directors {17(10)}<br>✓ Recommendation of Board to shareholders w.r.t. any Special Resolution placed for voting {17(11)}<br>✓ Maximum no. of Directorship {17A} |
| 2 | Audit Committee | 18 | Yes | ✓ Composition {18(1)}<br>✓ Meetings {18(2)(a) and (b)}<br>✓ Powers of the Committee {18(2)(c)}<br>✓ Role of the Committee and review of information by the Committee {18(3)} |
| 3 | Nomination and Remuneration Committee | 19 | Yes | ✓ Composition {19(1)}<br>✓ Chairperson {19(2), (2A), (3) and (3A)}<br>✓ Role of the Committee {19(4)} |
| 4 | Stakeholder Relationship Committee | 20 | Yes | ✓ Constitution {20(1)}<br>✓ Chairperson {20(2), 20(2A)}<br>✓ Other Members {20(3), 20(3A)}<br>✓ Role of the Committee {20(4)} |
| 5 | Risk Management Committee | 21 | Yes | ✓ Constitution and Composition {21(1) and (2)}<br>✓ Chairperson and Meeting {21(3), 21(3A)}<br>✓ Role of the Committee {21(4)} |
| 6 | Vigil Mechanism | 22 | Yes | ✓ Formulation of Vigil Mechanism for Directors and employees {22(1)}<br>✓ Direct access to Chairperson of Audit Committee {22(2)} |
| 7 | Related Party Transactions | 23 | Yes | ✓ Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions {23(1), 23(1A)}<br>✓ Approval including omnibus approval of Audit Committee {23(2) and (3)}<br>✓ Review of Related Party Transactions<br>✓ No material Related Party Transaction was entered during the year under review. {23(4)} |
| 8 | Subsidiaries of the Entity | 24 | Not Applicable | ✓ There is no subsidiary of the Company |
| 9 | Secretarial Audit | 24A | Yes | ✓ Annual Secretarial Audit Report and Annual Secretarial Compliance Report {24A} |

| S. No. | Particulars | Regulation | Compliance Status (Yes/No/NA) | Complied with the following |
|---|---|---|---|---|
| 10 | Obligations with respect to Independent Directors | 25 | Yes | ✓ No Alternate Director for Independent Director {25(1)}<br>✓ Maximum directorships and tenure {25(2)}<br>✓ Meetings of Independent Directors {25(3) and (4)}<br>✓ Replacement {25(6)}<br>✓ Familiarisation of Independent Directors {25(7)}<br>✓ Declaration of Independence {25(8) and (9)}<br>✓ Directors and Officers Insurance {25(10)} |
| 11 | Obligations with respect to Directors and Senior Management | 26 | Yes | ✓ Memberships / Chairmanships in Committees {26(1) and (2)}<br>✓ Affirmation on compliance of Code of Conduct by Directors and Senior Management {26(3)}<br>✓ Disclosure of shareholding by Non-Executive Directors {26(4)}<br>✓ Disclosures by Senior Management about potential conflicts of interest {26(5)}<br>✓ Profit Sharing Agreements by senior management {26(6)} |
| 12 | Other Corporate Governance Requirements | 27 | Yes | ✓ Compliance with discretionary requirements {27(1)}<br>✓ Filing of quarterly compliance report on Corporate Governance {27(2)} |
| 13 | Website | 46 | Yes | ✓ Maintaining Functional Website {46(1)}<br>✓ Details disseminated on website {46(2)}<br>✓ Contents on website and updating the website {46(3)} |

**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 of Events 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 Familiarisation 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 UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A)**

Not applicable

**g) 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 March 31, 2020 are as below:

| Particulars | Amount (₹ In Million) |
|---|---|
| Audit Fee | 9.60 |
| Tax Audit | 0.80 |
| Limited Reviews | 4.10 |
| Other certification services | 0.10 |
| Reimbursement of Expenses | 1.32 |
| **Total** | **15.92** |

**h) 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. Frequent communication of this policy in carried out by the Company through various programs at regular intervals.

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 The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 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.

2 (two) cases were reported during the year 2019-2020, out of which one was closed to satisfaction of the parties involved and ICC and the other matter is under investigation.

**i) DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

There are no shares which are lying in demat suspense account/unclaimed suspense account.

**j) STATUTORY COMPLIANCE SYSTEM**

The Company has in place 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, industry laws amongst others.

By Order of the Board of Directors,
**For Schneider Electric Infrastructure Limited**

**Bhumika Sood**
**Company Secretary and Compliance Officer**
**ACS 19326**

Date: June 16, 2020
Place: Gurugram

**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 2019-2020.

**For Schneider Electric Infrastructure Limited**

**Bruno Bernard Dercle**
**Managing Director and Chief Executive Officer**

Place: Gurugram
Date: June 16, 2020

**Annexure B**

**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

To,
The Board of Directors
Schneider Electric Infrastructure Limited

We, Bruno Bernard Dercle, Managing Director & Chief Executive Officer and Arnab Roy, Whole-Time Director & Chief Financial Officer of Schneider Electric Infrastructure Limited ("the Company"), to the best of our knowledge and belief certify that;

A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2020 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.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

   1. significant changes in internal control over financial reporting during the year;

   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and

   3. instances of significant fraud of which they have become aware 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.

**Arnab Roy**
**Whole-Time Director & Chief Financial Officer**
DIN: 02522674

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

Place: Gurugram
Date: June 16, 2020

**Annexure C**

**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 Gujrat-391510

We have examined the relevant registers, records, forms, returns and disclosures received from the Company Secretory of Schneider Electric Infrastructure Limited having CIN: L31900GJ2011PLC064420 and having registered office at Milestone 87, Vadodara, Halol Highway, Village Kotambi, Post office Jarod, Vadodara, Gujrat-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) 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, 2020 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. | Subramanian Vishar Vasudevan | Director | 00130205 | 11/06/2013 |
| 4. | Bruno Bernard Dercle | Managing Director | 08185909 | 01/08/2018 |
| 5. | Piyush Kumar Pandey | Whole Time Director | 08451135 | 22/05/2019 |
| 6. | Anil Chaudhry | Director | 03213517 | 12/03/2011 |
| 7. | Bidisha Nagaraj | Director | 08080159 | 07/03/2018 |
| 8. | Sugata Sircar | Director | 01119161 | 02/11/2014 |
| 9. | Namrata Kaul | Additional Director | 00994532 | 06/11/2019 |

Ensuring the eligibility of 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**
FRN: L2018DE004900

**Mohd Nazim Khan**
**Designated Partner**
CP: 8245 (FCS: 6529)
UDIN: F006529B000366647

Place: New Delhi
Date: June 22, 2020

**Annexure D**

**Certificate of Compliance with the Corporate Governance**

To
The Members
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, 2020 as stipulated in Regulation 17 to 27 and Clause (3) to (i) of Sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the SEBI (LODR) Regularion, 2015 (the Listing Regulations) of the Company with stock exchange(s).

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. Further, it was observed from the minutes of the Board Meeting, held on 05-02-2020 provided to us that the meeting of Independent Director was held. However we have not found any document on record, including date of meeting, attendance register, minutes of meeting of Independent Directors etc.

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 and Associates LLP**
Company Secretaries
FRN: L2018DE004900

**Mohd Nazim Khan**
Designated Partner
CP: 8245 (FCS: 6529)
UDIN: F006529B000366647

Place: New Delhi
Date: June 16, 2020

# Business Responsibility Report 2019-2020

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 | https://infra.schneider-electric.co.in/ |
| 5. Email ID | company.secretary@schneider-electric.com<br>investor.relation@schneider-electric.com |
| 6. Financial year reported | April 1, 2019 to March 31, 2020 |
| 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.<br>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) | Sri Lanka, 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[1]**

| | |
|---|---|
| i. Paid-up capital (₹ in million) | 478.21 |
| ii. Total turnover (₹ in million) | 13844.10 |
| iii. Total profit after taxes (₹ in million) | (295.75) |
| 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 |

[1] 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?<br>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%). | : | The Company does not make it mandatory for its suppliers and distributors to participate in its BR initiatives. |

**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 marginalised.

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?<br>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 | Yes | Yes | Yes |
| 7 | Indicate the link for the policy to be viewed online. | https://infra.schneider-electric.co.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. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? | The policy covers the Company as well as the Group, suppliers, contractors, NGOs and others. Our stakeholders engagement processes are robust and have strong listening mechanisms in place. During the financial year 2019-2020, the Company has received 8 complaints from its shareholders, which were resolved to their satisfaction. All these complaints were general in nature. Apart from the above, the Company has not received Complaints from other Stakeholders.<br><br>More details on Investors Complaints are provided in the Corporate Governance Report forming part of this Annual Report Additionally, all stakeholders have access to the Whistleblower Policy of the Company at https://infra.schneider-electric.co.in/supervision/images/policies/policiesg7dbFIyt0Q.pdf. |
| 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. | |
| **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. | Schneider is actively integrating sustainability principles into their businesses by developing green leaf certified products. These products will make a positive contribution to Schneider's investors by ensuring we are preserving finite resources, counteracting global warming and protecting personnel health. Products launched in 2018 by Schneider Electric carry Green Premium certification that offers its customers superior transparency and environmental stewardship.<br><br>Through our digital eco-system 2 core offerings of Energy Management and Industrial Automation serving the Energy Transition and Industry 4.0 have been developed. Integrated and digitised solutions through EcoStruxure™, our global, homogeneous and agnostic platform for efficiency and sustainability |
| 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): | EasyPact EXE is a medium voltage circuit breaker offering modularity and with advanced connectivity which helps 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. | Schneider is determined to ensure sustainable sourcing by producing EasyPact Exe locally in Hyderabad. We have a dedicated team to ensure selected suppliers are given the correct tools and information to build a long-term future with Schneider, and ensure sustainable souring is entrenched into their manufacturing |
| 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 will be manufactured in India, completely in line with Make in India Ambition. With manufacturing in India, the resources, raw materials, suppliers will be at large from local and small vendors which will support communities involved. |
| 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 17% lower material requirement than the previous generation the initial product with have a lower composition of steel and copper. |

| Principle No. | Description | Response |
|---|---|---|
| **P3 - Businesses should promote the wellbeing of all employees.** | | |
| 3.1 | Please indicate the total number of employees. | 1286 |
| 3.2 | Please indicate the total number of employees hired on a temporary / contractual / casual basis. | 48 on Fixed Term Contracts |
| 3.3 | Please indicate the number of permanent women employees. | 135 |
| 3.4 | Please indicate the number of permanent employees with disabilities. | Nil |
| 3.5 | Do you have an employee association that is recognised by the Management? | We have an Internal Employee Committee. |
| 3.6 | What percentage of your permanent employees are members of this recognised employee association? | 32% |
| 3.7 | Please indicate the number of complaints relating to child labor, forced labor, involuntary labor and sexual harassment in the last financial year, and those that are pending, as at the end of the financial year. | 2 (Two) cases of Sexual Harassment were reported during the year 2019-2020 out of which 1 (one) was closed to the satisfaction of the parties involved and ICC and 1 (one) case is pending investigation. |
| 3.8 | What percentage of your under-mentioned employees were given safety and skill up- gradation training in the last year?<br>• Permanent employees<br>• Permanent women employees<br>• Casual / temporary / contractual employees<br>• 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 marginalised.** | | |
| 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 marginalised stakeholders? | Yes, the Company has identified disadvantaged, vulnerable and marginalised stakeholders. |
| 4.3 | Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised 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. |
| **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, to all |
| 5.2 | How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management? | Our stakeholders engagement processes are robust and have strong listening mechanisms in place.<br>During the financial year 2019-2020, the Company has received 8 complaints from its shareholders, which were resolved to their satisfaction. All these complaints were general in nature.<br>Apart from the above, the Company has not received Complaints from other Stakeholders.<br>More details on Investors Complaints are provided in the Corporate Governance Report forming part of this Annual Report<br>Additionally, all stakeholders have access to the Whistleblower Policy of the Company at https://infra.schneider-electric.co.in/supervision/images/policies/policiesg7dbFlyt0Q.pdf |

| Principle No. | Description | Response |
|---|---|---|
| **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 https://infra.schneider-electric.co.in/ |
| 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. | Yes, the Company has undertaken the following initiatives:<br>- Solar Panel for renewable energy usage under the energy policy for its manufacturing facilities in Vadodara.<br>- Rain water harvesting system to recharge ground water level for its manufacturing facilities in Vadodara. |
| 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 with in 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. |
| **P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible** | | |
| 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 |

| Principle No. | Description | Response |
|---|---|---|
| **P8 - Businesses should support inclusive growth and equitable development.** | | |
| 8.1 | Does the Company have specified programs / 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 programs / projects undertaken through an in-house team / own foundation / external NGO / government structures / any other organisation? | 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. | NIL |
| 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. | Yes, Schneider Electric India as a group has taken community development initiatives.<br><br>In the Financial Year 2019-2020, Schneider Electric India Foundation (SEIF), an umbrella entity for all Schneider Electric business entities in India for CSR initiatives, trained 21,265 unemployed youth including 1,123 females and trained 153 trainers, 184 entrepreneurs to start their journey in energy profession through SEIF's skill development program spread across 26 states including aspirational districts. SEIF contributed to SDG 1 of 'No Poverty', SDG 2 of 'Zero Hunger'; SDG 8 of 'Decent Work and Economic Growth'.<br><br>Through Rural Electrification program, the Group was able to provide access to 8165 households to clean and safe energy solution, benefitting 40825 individuals across country.<br><br>The Group installed 178 sets of solar water pumps which served 3379 nos. farmers under 'Energy for Livelihood' project. |
| | | |
| 9.1 | What percentage of client complaints / consumer cases are pending as on the end of the financial year? | There were no consumer cases in district consumer forum. |
| 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. | Nil |
| 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. |

**For and on behalf of the Board of Directors,**

**Vinod Kumar Dhall**
Chairman
DIN:02591373

Date: June 16, 2020
Place: Noida

# Financial Statements

# Independent Auditor's Report

To the Members of Schneider Electric Infrastructure Limited

**Report on the Audit of 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 2020, 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 Ind AS 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, as amended ("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, 2020, its loss 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.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 43 in the Ind AS financial statements which, indicate that the Company has accumulated losses and its net worth has been substantially eroded, the Company has incurred a net loss during the current and previous years. These conditions, along with other matters set forth in Note 43, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

**Emphasis of Matter**

We draw attention to Note 40 to the accompanying Ind AS financial statements, which describes the management's assessment of the impact of uncertainties related to COVID 19 and its consequential effects on the business operations of the Company. Our opinion is not modified in respect of this matter.

**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, 2020. 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.

In addition to the matter described in the 'Material Uncertainty Related to Going Concern' section, 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, 2020, in relation to tax matters are ₹ 1,581.21 Million.<br><br>Due to complexity of cases, significant amount involved and timescales 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:<br><br>• 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.<br><br>• 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.<br><br>• Obtained confirmation, where appropriate, from relevant third-party legal counsel. Evaluated the objectivity, competence and relevant experience of third-party legal counsel.<br><br>• 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.<br><br>• Assessed the relevant disclosures made within the Ind AS financial statements. |
| **Revenue Recognition** | |
| For the year ended March 31, 2020 the Company has recognized revenue from contracts with customers of ₹ 13,809.31 Million.<br><br>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.<br><br>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 is transferred to the customer, give rise to the risk that revenue is not recognized in the correct period.<br><br>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.<br><br>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:<br><br>• Evaluated the Company's revenue recognition accounting policies and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.<br><br>• 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.<br><br>• 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.<br><br>• 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.<br><br>• Performed monthly analytical reviews to identify any unusual sales trends.<br><br>• Assessed the relevant disclosures made within the Ind AS financial statements. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Impairment – Trade Receivables (as described in Note 5 and 8 of the Ind AS financial statements)** | |
| Trade receivables represent a significant portion of the total assets of the Company as at March 31, 2020. The Company has trade receivables of ₹ 4,257.26 Million as at March 31, 2020.<br><br>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 further considered the specific provision on customer to customer basis and accounted the impairment if recoverability of outstanding amount is considered doubtful.<br><br>In assessing the recoverability of trade receivables, management also exercised significant judgements to evaluate the collectability from individual customers after considering their creditworthiness, 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.<br><br>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. | Our audit procedures included the following:<br><br>• 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.<br><br>• Evaluated the assumptions used to calculate the expected credit loss (ECL) model to create impairment allowance for doubtful debts.<br><br>• 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.<br><br>• Circulated the balance confirmation letter to the customers and analysed the responses in balance confirmation letter obtained from the customers.<br><br>• 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.<br><br>• Assessed the relevant disclosures made within the Ind AS financial statements. |
| **Recoverability of carrying value of property plant and equipment, capital work in progress, right-of-use assets and intangible assets** (as described in Note 3, 4 and 32 of the Ind AS financial statements) | |
| The Company has incurred losses in the recent years and loss for the year inclusive of other comprehensive income amounts to ₹ 392.24 Million and as at March 31, 2020 accumulated losses of the Company aggregates to ₹ 3,587.10 Million. 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, 2020, the carrying value of property, plant and equipment and capital work in progress including right of use assets and intangible assets are ₹ 3,169.96 Million which represents a significant portion of the total assets of the Company.<br><br>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:<br><br>• Understood management and board's controls over the assessment of the carrying value of property, plant and equipment, capital work in progress, right to use assets and intangible assets to determine whether any asset impairment was required.<br><br>• Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessing the potential impact of any variances.<br><br>• Tested the adequacy of the weighted average cost of capital used to discount the impairment model through engaging valuation experts.<br><br>• Tested the integrity of the models together with their clerical accuracy.<br><br>• Assessed the relevant disclosures made within the Ind AS financial statements. |

**Other Information**

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 Ind AS financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

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.

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 such other information is materially inconsistent with the Ind AS 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.

**Responsibilities of Management for the Ind AS Financial Statements**

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 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.

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.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 Ind AS 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, 2020 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 accounts;

   (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) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) 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;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 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;

   (i) 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 to the Ind AS financial statements;

      iii. There has been no delay in transferring amounts, 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
UDIN: 20096766AAAABD8038
Place of Signature: New Delhi
Date: June 16, 2020

## 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) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years 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 as at year end 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 cess on account of any dispute, are as follows:

| S. No. | Name of Statute | Nature of Dues | Amount (₹ Millions) | Amount Deposited (₹ Millions) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|---|
| 1 | Central Excise Act, 1944 | Non-inclusion of 15% Profit Margin in Transfer Pricing | 5.13 | - | 1993-94 and 1994-95 | Kolkata High Court |
| 2 | Central Excise Act, 1944 | Rejection of refund claim towards CENVAT reversals as insisted during Excise audit | 4.44* | - | 2012-13 | CESTAT – Chennai |
| 3 | 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 |
| 4 | Central Excise Act, 1944 | Demand of duty for Exemption u/n 108/95 | 0.47* | - | 2003-04 | Commissioner (Adj.) New Delhi |
| 5 | Central Excise Act, 1944 | CENVAT Credit availed on SAP maintenance charges | 0.21* | - | 2008-09 | High Court- Chennai |
| 6 | Central Excise Act, 1944 | Levy of penalty | 0.02 | - | 2011-12 | CESTAT – Chennai |
| 7 | Central Excise Act, 1944 | Seizure of spares while being transported to Railway Station alleging transportation without Invoice. | 0.01 | - | 1996-97 | Commissioner (Appeals) Allahabad |
| 8 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | 73.12* | 41.99 | 2010-11 & 2011-12 | Joint Commissioner (Corporate Circle) |
| 9 | Central Sales Tax Act, 1956 | Non submission of declaration forms, Input tax claim disallowed | 168.38 | - | 2007-08 | Revision Board at Beliaghata |
| 10 | 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) |
| 11 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 22.52* | 37.97 | 2007-08 | Joint Commissioner, Allahabad |
| 12 | 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 |
| 13 | 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) |
| 14 | Central Sales Tax Act, 1956 | Non-Submission of C Forms | -* | 10.58 | 2009-10 | Tribunal Ahmedabad |
| 15 | Central Sales Tax Act, 1956 | Non submission of Declaration forms | 14.96* | 20.65 | 2010-11 & 2011-12 | Tribunal |
| 16 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 28.05* | 21.19 | 2006-07 | Deputy Commissioner, Allahabad |
| 17 | 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 |
| 18 | Central Sales Tax Act, 1956 | Non submission of Declaration forms | 4.18* | 7.14 | 2008-09 & 2009-10 | Deputy Commissioner, Allahabad |
| 19 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 17.21* | - | 2005-06, 2006-07 & 2007-08 | Deputy Commissioner, U.P. Sales Tax |

| S. No. | Name of Statute | Nature of Dues | Amount (₹ Millions) | Amount Deposited (₹ Millions) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|---|
| 20 | Central Sales Tax Act, 1956 | Input tax claim disallowed, non-submission of declaration forms | 7.53* | - | 2009-10 | West Bengal Commercial Taxes Appellate & Revisional Board |
| 21 | Gujarat Value Added Tax, 2003 | Non collection of declaration form | 1.08* | 3.35 | 2007-08 & 2008-09 | Joint Commissioner (Corporate) |
| 22 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 6.36* | - | 2002-03 | Calcutta High Court |
| 23 | 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 |
| 24 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 3.68* | - | 2001-02 ,2002-03 & 2011-12 | Deputy Commissioner |
| 25 | 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) |
| 26 | West Bengal Sales Tax Act, 1994 | Non collection of declaration forms | 3.20 | - | 1997-98 | West Bengal Tribunal |
| 27 | 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 |
| 28 | Central Sales Tax Act, 1956 | Non submission of declaration forms, Input tax claim disallowed | 1.00* | 1.00 | 2006-07 | Assessing Officer, Charge Office, West Bengal |
| 29 | 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 |
| 30 | Uttar Pradesh Trade Tax Act, 1948 | Levy of purchase Tax due to Unregistered purchases made | 0.33* | - | 2006-07 | Deputy Commissioner Sales Tax Noida |
| 31 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 0.26* | - | 2008-09 | Deputy Commissioner, Jaipur |
| 32 | 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 |
| 33 | Rajasthan Value Added Tax Act, 2003 | Input tax claim disallowed | 0.08* | - | 2008-09 | Deputy Commissioner, Jaipur |
| 34 | Madhya Pradesh Value Added Tax Act, 2002 | Entry Tax on High Sea Sales Imported Material | 0.07* | 0.02 | 2010-11 | Deputy Commissioner Appeals |
| 35 | Central Sales Tax Act, 1956 | Provisional Assessment | 0.52 | 0.91 | 2014-15 | Additional Commissioner Appeals |
| 36 | Gujarat Value Added Tax, 2003 | Input tax claim disallowed, non-submission of declaration forms | 146.50* | 28.27 | 2011-12 | Joint Commissioner Appeals |

| S. No. | Name of Statute | Nature of Dues | Amount (₹ Millions) | Amount Deposited (₹ Millions) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|---|
| 37 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 11.02 | 5.67 | 2011-12, 2013-14 | Deputy/Additional Commissioner Appeal |
| 38 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 1.94 | 8.79 | 2013-14 | Deputy Commissioner |
| 39 | Central Sales Tax Act, 1956 | Non collection of declaration forms | - | 2.53 | 2012-13 | Joint Commissioner Appeals |
| 40 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 0.68* | 0.07 | 2008-09, 2011-12 | Deputy Commissioner Appeals |
| 41 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 11.09* | - | 2009-10 | Deputy Commissioner Appeal |
| 42 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 12.10* | 2.42 | 2011-12 | Joint Commissioner Appeals |
| 43 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 0.26* | - | 2009-10 | Deputy Commissioner Appeals |
| 44 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 0.42* | 0.14 | 2010-11 | Deputy Commissioner Appeals |
| 45 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 6.82* | 1.82 | 2010-11 | Deputy Commissioner Appeals |
| 46 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 2.80 | - | 1997-98 | Tribunal |
| 47 | Central Sales Tax Act, 1956 | Non collection of declaration forms | 16.79 | - | 1993-94 | Revision Board at Beliaghata |
| 48 | Finance Act, 1994 | Irregular availment of CENVAT Credit of Service Tax | 4.98* | - | 2012-13 | CESTAT – Chennai |
| 49 | Finance Act, 1994 | Disallowance of CENVAT credit availed on certain input services | 0.79* | - | 2012-13 | CESTAT – Chennai |
| 50 | 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. | 0.66* | - | 2011-12 | CESTAT – Chennai |
| 51 | Finance Act, 1994 | Non-payment of Service Tax on Manpower supply services | 0.62* | - | 2012-13 | CESTAT – Chennai |
| 52 | Finance Act, 1994 | Short payment of service tax on GTA | 0.08* | - | 2009-10 | High Court- Chennai |
| 53 | The Custom Act, 1962 | Refund of drawback for non-realisation of export proceeds | 5.59 | - | 2012-13 | Commissioner of Customs (Appeals) |
| 54 | 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 |
| 55 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | - | 5.95 | 2012-2013 | Joint commissioner of Commercial Tax (Appeals), Vadodara |
| 56 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | - | 6.17 | 2011-12 | Deputy Commissioner, Vadodara |
| 57 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | 9.59 | 2.07 | 2013-14 | Deputy Commissioner Appeal |

| S. No. | Name of Statute | Nature of Dues | Amount (₹ Millions) | Amount Deposited (₹ Millions) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|---|
| 58 | 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] |
| 59 | Central Sales Tax Act, 1956 | non-submission of waybill Form 402 | 6.41 | 2.10 | 2016-2017 | Deputy Commissioner, Commercial Taxes, Gujarat |
| 60 | Central Sales Tax Act, 1956 | ITC disallowance | 4.72 | - | 2012-2013 | Joint commissioner of Commercial Tax (Appeals), Vadodara |
| 61 | 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 |
| 62 | Central Excise Act, 1944 | Irregular availment of Cenvat Credit on certain Ineligible service alleged | 0.47* | - | 2010-2011 | CESTAT - CHENNAI |
| 63 | Central Excise Act, 1944 | Duty on removal of Inputs "as such" | 2.37 | 0.18 | 2011-2016 | Additional Commissioner, Sec-62, Noida |
| 64 | 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 |
| 65 | Income Tax Act,1961 | Disallowance on account of bad debts written off and various other disallowances | 170.92 | 60.95 | AY 2012-13 | Commissioner of Income Tax (Appeals) |
| 66 | 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) |
| 67 | 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 |
| 68 | 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 |
| 69 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | - | 9.00 | 2013-2014 | Deputy Commissioner, Commercial Taxes, Gujarat |
| 70 | 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 |
| 71 | 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 |
| 72 | 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 |
| 73 | 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 |
| 74 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | 4.84 | 4.84 | 2014-2015 | Joint Commissioner, Andhra Pradesh |

| S. No. | Name of Statute | Nature of Dues | Amount (₹ Millions) | Amount Deposited (₹ Millions) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|---|
| 75 | 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 |
| 76 | 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 |
| 77 | Central Sales Tax Act, 1956 | ITC disallowance | 1.41 | - | 2015-2016 | Commercial Tax officer, Bhiwadi |
| 78 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | 18.42 | 9.21 | 2017-2018 | Deputy Commissioner, Tamil Nadu |
| 79 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | 68.95 | 31.29 | | |
| | 2015-16, 2016-17 | Deputy Commissioner, Tamil Nadu | | | | |
| 80 | Entry Tax Act Telangana | Entry Tax | 2.72 | 2.71 | 2012-13, 2013-14, 2014-15 | Joint Commissioner, Telangana |
| 81 | 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 |
| 82 | Central Sales Tax Act, 1956 | ITC Disallowance | 18.72 | - | 2015-16 | Deputy Commissioner, West Bengal |
| 83 | Central Excise Act, 1944 | Short payment of Duty | 6.60 | 0.66 | 2016-2017 | Tribunal, Ahmedabad |
| 84 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | 23.05 | 4.60 | 2014-15 | Deputy Commissioner, Commercial Taxes, Gujarat |
| 85 | Maharashtra Value Added Tax Act, 2002 | ITC disallowance | 12.97 | 0.63 | 2012-13, 2014-15 | Deputy Commissioner, Mumbai |
| 86 | Delhi Value Added Tax Act, 2004 | ITC disallowance | 0.24 | - | 2015-16 | Assistant Commissioner, Delhi |
| 87 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | 111.58 | 10.48 | 2015-16 | Additional Commissioner of Sales Tax |
| 88 | West Bengal VAT Act 2003 | VAT Assessment (Export/SEZ sales) | 18.85 | 1.77 | 2015-16 | Additional Commissioner of Sales Tax |
| 89 | Central Sales Tax Act, 1956 | Non submission of Statutory Form such as C/H/F/E-1 and export documents | 109.55 | - | 2015-16, 2016-17,2017-18 | Deputy Commissioner, Commercial Taxes, Gujarat |
| 90 | The Custom Act, 1962 | Incorrect classification of relays under custom tariff heading | 316.27 | - | 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19 | CESTAT-Mumbai |

* Represents Company's share of ₹ 522.69 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 by 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 Ind AS 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 Ind AS 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
UDIN: 20096766AAAABD8038
Place of Signature: New Delhi
Date: June 16,2020

# ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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, 2020, 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 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 Ind AS 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, 2020:

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. This has also caused us to qualify our opinion in the earlier year.

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, 2020, 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, 2020.

**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, 2020, 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, 2020 Ind AS financial statements of Schneider Electric Infrastructure Limited and this report does not affect our report dated June 16, 2020, 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
UDIN: 20096766AAAABD8038
Place of Signature: New Delhi
Date: June 16, 2020

# Balance Sheet

as at March 31, 2020

(₹ in Millions)

| | Notes | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **1 Non-current assets** | | | |
| Property, plant and equipment | 3 | 2,248.06 | 3,030.84 |
| Capital work-in-progress | 3 | 29.39 | 56.78 |
| Right-of-use assets | 32 | 864.31 | - |
| Intangible assets | 4 | 28.20 | 53.67 |
| Financial assets | 5 | | |
| (i) Trade receivables | | 46.30 | 17.28 |
| (ii) Other financial assets | | 15.94 | 19.51 |
| Non-current tax assets | | 270.78 | 223.05 |
| Other non-current assets | 6 | 378.65 | 353.94 |
| **Total non - current assets** | | **3,881.63** | **3,755.07** |
| **2 Current assets** | | | |
| Inventories | 7 | 2,184.53 | 2,421.23 |
| Financial assets | 8 | | |
| (i) Trade receivables | | 4,210.96 | 4,137.46 |
| (ii) Cash and cash equivalents | | 133.29 | 183.64 |
| (iii) Other bank balances | | - | 0.83 |
| (iv) Other financial assets | | 117.85 | 12.64 |
| Other current assets | 9 | 665.82 | 921.58 |
| | | **7,312.45** | **7,677.38** |
| Assets classified as held for sale | 3 | - | 44.42 |
| **Total current assets** | | **7,312.45** | **7,721.80** |
| **Total Assets** | | **11,194.08** | **11,476.87** |
| **EQUITY AND LIABILITIES** | | | |
| **1 Equity** | | | |
| Equity share capital | 10 | 478.21 | 478.21 |
| Other equity | 10 | (464.14) | (244.30) |
| **Total equity** | | **14.07** | **233.91** |
| **2 Liabilities** | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 11 | 3,623.76 | 1,159.72 |
| (ii) Lease liabilities | 32 | 103.09 | - |
| Provisions | 12 | 194.32 | 216.19 |
| Deferred revenue | 13 | 19.53 | 28.14 |
| **Total non - current liabilities** | | **3,940.70** | **1,404.05** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 14 | 1,154.92 | 3,362.36 |
| (ii) Lease liabilities | 32 | 16.11 | - |
| (iii) Trade payables | 14 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 185.71 | 264.05 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,271.72 | 4,456.44 |
| (iv) Other financial liabilities | 14 | 117.83 | 178.14 |
| Other current liabilities | 15 | 681.08 | 741.50 |
| Provisions | 16 | 811.94 | 836.42 |
| **Total current liabilities** | | **7,239.31** | **9,838.91** |
| **Total equity and liabilities** | | **11,194.08** | **11,476.87** |
| Summary of significant accounting policies | 2 | | |

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: New Delhi
Date: June 16, 2020

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**
Whole-Time Director &
Chief Financial Officer
DIN: 02522674

**Bhumika Sood**
Company Secretary
ACS: 19326

Place: Gurugram
Date: June 16, 2020

# Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Millions)

| | | Notes | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|---|
| I | **Income** | | | |
| | Revenue from operations | 18 | 13,844.10 | 13,903.14 |
| | Other income | 19 | 120.43 | 434.60 |
| | **Total income** | | **13,964.53** | **14,337.74** |
| II | **Expenses** | | | |
| | Cost of raw material and components consumed | 20 | 9,421.09 | 9,571.49 |
| | Purchase of traded goods | 21 | 30.53 | 80.98 |
| | Change in Inventories of finished goods and work-in-progress and traded goods | 22 | 378.84 | 357.96 |
| | Employee benefits expense | 23 | 2,095.03 | 1,997.48 |
| | Finance costs | 24 | 480.78 | 443.83 |
| | Depreciation and amortization expense | 25 | 218.29 | 257.86 |
| | Other expenses | 26 | 1,649.24 | 1,591.76 |
| | **Total expenses** | | **14,273.80** | **14,301.36** |
| III | **Profit/(Loss) before Exceptional Items and Tax** | | (309.27) | 36.38 |
| | Exceptional Items | 27 | (13.52) | 280.04 |
| IV | **Profit/(loss) before Tax** | | (295.75) | (243.66) |
| V | **Tax expense:** | | | |
| | Current tax | 17 | - | - |
| | Deferred tax | 17 | - | - |
| | **Income tax expense** | | - | - |
| VI | **Profit/(loss) for the year** | | (295.75) | (243.66) |
| VII | **Other comprehensive income/(Loss)** | | | |
| | Items that will not be reclassified subsequently to the statement of profit or loss | | | |
| | -Remeasurement of the defined benefit plan (net of tax) | 28 | (96.49) | 1.94 |
| | **Total other comprehensive income/(loss)** | | **(96.49)** | **1.94** |
| VIII | **Total comprehensive income/(loss) for the year** | | **(392.24)** | **(241.72)** |
| IX | **Earnings per equity share** | | | |
| | Equity shares of par value ₹ 2 each | | | |
| | **Basic (In ₹)** | **29** | **(1.24)** | **(1.02)** |
| | **Diluted (In ₹)** | **29** | **(1.24)** | **(1.02)** |
| | Summary of significant accounting policies | 2 | | |

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: New Delhi
Date: June 16, 2020

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**
Whole-Time Director &
Chief Financial Officer
DIN: 02522674

**Bhumika Sood**
Company Secretary
ACS: 19326

Place: Gurugram
Date: June 16, 2020

# Cash Flow Statement
for the year ended March 31, 2020

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **A. CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit /(Loss) before tax | (295.75) | (243.66) |
| Adjustments to reconcile profit before tax to net cash flows | | |
| Depreciation and amortisation expense | 218.29 | 257.86 |
| Net (gain)/loss on disposal of property, plant and equipment | (2.46) | (13.49) |
| Unrealised foreign exchange (gain) / loss (net) | (7.10) | (88.95) |
| Allowance for credit losses on trade receivables (net) | 27.05 | - |
| Provision for warranties | 99.98 | 195.91 |
| Allowance for impairment of doubtful loans and advances | 36.76 | 19.20 |
| Interest income | (2.05) | (0.03) |
| Interest expense | 457.98 | 421.85 |
| Employee stock options | - | 12.83 |
| Provision for contract losses | 1.01 | 6.77 |
| Excess provisions/liabilities written back | (36.52) | (381.12) |
| Deferred revenue released during the year | (8.61) | (13.99) |
| **Operating profit before working capital changes** | **488.58** | **173.18** |
| Movement in working capital | | |
| (Increase)/ Decrease in trade receivables | (91.85) | 57.43 |
| (Increase)/ Decrease in inventories | 236.70 | 295.29 |
| (Increase)/Decrease in other financial assets | (52.40) | 17.47 |
| (Increase)/Decrease in other assets | 201.09 | 200.56 |
| Increase/ (Decrease) in trade payables | (339.62) | (1,466.88) |
| Increase/ (Decrease) in other financial liabilities | (68.61) | 0.57 |
| Increase/ (Decrease) in other liabilities and provisions | (282.39) | 238.86 |
| **Cash generated from/(used) in operations** | **91.50** | **(483.52)** |
| Income tax paid (net) | (47.73) | (32.72) |
| **Net Cash flow from/(used) in Operating Activities (A)** | **43.77** | **(516.24)** |
| **B. CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment including capital work in progress | (133.66) | (98.85) |
| Proceeds from sale of property, plant and equipment | 7.83 | 279.39 |
| (Increase) / Decrease in capital advances | (5.42) | (5.04) |
| Interest received | 2.05 | 0.03 |
| **Net Cash flow from/(used) in Investing Activities (B)** | **(129.20)** | **175.53** |
| **C. CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Repayment of long term borrowings (current maturities) | - | (683.48) |
| Proceed from long term borrowings | 2,550.00 | - |
| Repayment of principal portion of lease liabilities | (39.42) | - |
| Proceed/(Repayment) of short term borrowings (net) | (2,191.21) | 1,033.17 |
| Proceed/(Repayment) of cash credit from banks (net) | 3.24 | 2.84 |
| Interest paid | (302.59) | (333.56) |
| **Net Cash Flow from/(used) in Financing Activities (C)** | **20.02** | **18.97** |

# Cash Flow Statement
for the year ended March 31, 2020

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Net increase /(decrease) in cash and cash equivalents (A+B+C)** | **(65.41)** | **(321.74)** |
| Effect of exchange differences on cash and cash equivalents held in foreign currency | 14.23 | (3.49) |
| Cash and cash equivalents at the beginning of the year | 184.47 | 509.70 |
| **Cash and Cash Equivalents at the end of the year** | **133.29** | **184.47** |
| **Non-cash investing and financing transaction** | | |
| Acquisition of property, plant and equipment by means of a finance lease | 21.97 | 19.30 |

Notes :

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2 Components of cash and cash equivalents :

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Cash and cash equivalents** | | |
| Balances with banks: | | |
| Current accounts | 2.08 | 46.55 |
| EEFC account | 131.21 | 137.09 |
| | **133.29** | **183.64** |

| | Notes | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Other bank balances** | | | |
| Unclaimed dividend | | - | 0.83 |
| | | - | 0.83 |
| | | **133.29** | **184.47** |
| 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: New Delhi
Date: June 16, 2020

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**
Whole-Time Director &
Chief Financial Officer
DIN: 02522674

**Bhumika Sood**
Company Secretary
ACS: 19326

Place: Gurugram
Date: June 16, 2020

# Statement of changes in Equity

for the year ended at March 31, 2020

(₹ in Millions)

| Particulars | Nos. (In Millions) | Amount |
|---|---|---|
| As at April 1, 2018 | 239.10 | 478.21 |
| Changes during the year | - | - |
| As at March 31, 2019 | 239.10 | 478.21 |
| Changes during the year | - | - |
| **As at March 31, 2020** | **239.10** | **478.21** |

(₹ in Millions)

| 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 | |
| **As at April 1, 2018** | **845.20** | **26.61** | **121.04** | **410.25** | **1,534.63** | **(2,890.58)** | **47.15** |
| 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 | - | - | - | - | - | (62.56) | (62.56) |
| **As at March 31, 2019** | **845.20** | **26.61** | **133.87** | **410.25** | **1,534.63** | **3,194.86)** | **(244.30)** |
| **As at April 1, 2019** | **845.20** | **26.61** | **133.87** | **410.25** | **1,534.63** | **3,194.86)** | **(244.30)** |
| Profit / (Loss) for the year | - | - | - | - | - | (295.75) | (295.75) |
| Other comprehensive income | - | - | - | - | - | (96.49) | (96.49) |
| Created during the year | - | 172.40 | - | - | - | - | 172.40 |
| **As at March 31, 2020** | **845.20** | **199.01** | **133.87** | **410.25** | **1,534.63** | **3,587.10)** | **(464.14)** |

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: New Delhi
Date: June 16, 2020

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**
Whole-Time Director &
Chief Financial Officer
DIN: 02522674

**Bhumika Sood**
Company Secretary
ACS: 19326

Place: Gurugram
Date: June 16, 2020

# Notes to Financial Statements

For the year ended at March 31, 2020

## 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 two 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.

These financial statements were approved for issue in accordance with a resolution of the Board of Directors on June 16, 2020.

## 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 lives are in certain cases differ from the lives prescribed under Schedule II of the Act. The Company has used the following useful lives 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 | 3 and 4 |

Leasehold Land and Leasehold Improvements are depreciated over the primary period of lease. An asset below ₹ 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.

**Intangible assets are amortized on a straight-line basis over their estimated useful life as under:**

| Assets | Useful Life (in years) |
|---|---|
| Computer Software | 5 |

**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:

- **Business Model Test:** The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, (rather than to sell

the instrument prior to contractual maturity to realize its fair value changes) and

- **Cash flow characteristics test:** The 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 116, Leases.

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.

**Subsequent Measurement**

For the purpose of subsequent measurement, financial liabilities are classified in two categories:

- Financial Liabilities at fair value through profit or loss
- Financial Liabilities at amortised cost (loan and borrowings)

**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.

**Financial liabilities at amortised cost (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.

**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.

**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 medication 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 non-financial 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 though 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:**

Financials 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 |

| Original classification | Revised Classification | Accounting treatment |
|---|---|---|
| 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 operations**

**A. Revenue from contract with customers**

Revenue from contracts with customers is recognised when control of the goods is 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.

**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, non-cash 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

**B. 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.

**2.11 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.

**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 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 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.

**2.14 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Where the Company is lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(i) Right to use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| Right to use assets | Useful Lives estimated by the management (years) |
|---|---|
| Non-Factory buildings | 2 to 5 years |
| Solar plant equipment | 20 years |
| Lease hold land | 99 years |
| Other office equipment | 2 years |

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.05 Impairment of non-financial assets.

**(ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in Property, Plant & Equipment. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.

**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.

**2.20 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 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the financial statements of the Company.

**Ind AS 116 Lease**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The effect of adoption of Ind AS 116 is as follows;

**Impact on balance sheet:**

| Particulars | March 31, 2020 |
|---|---|
| Right-of-use assets | ₹ 864.31 million |
| Lease liability | ₹ 119.20 million |

**Impact on Statement of Profit and Loss:**

| Particulars | March 31, 2020 |
|---|---|
| Rent expense is lower by | ₹ 9.99 million |
| Other expense is lower by | ₹ 4.95 million |
| Finance cost is higher by | ₹ (6.48) million |
| Depreciation expense is higher by | ₹ (12.29) million |

**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

The Company 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 Appendix did not have an impact on the financial statements of the Company.

**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).

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 amendment did not have an impact on the financial statements of the Company.

**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 judgement, 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.

**Leases**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**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 assets recoverable amount is the higher of an asset's CGU'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) Provision for expected credit losses of trade receivables and contract assets**

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 37.

**(g) 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.

**(h) Useful life of property, plant and equipment**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

**(i) Revenue from contracts with customers**

The percentage-of-completion (POC) method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

**2.27 Standards issued but not effective**

There are no standards that are issued but not yet effective on March 31, 2020.

## 3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Millions)

| | Freehold Land | Leasehold Land | Leasehold Improvements | Buildings | Plant and Equipment | Furniture and fixtures | EDP Equipments | Vehicles | Total | Capital Work in progress | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **At cost** | | | | | | | | | | | |
| **At March 31, 2018** | **679.72** | **890.75** | **25.93** | **1,307.66** | **746.90** | **28.71** | **149.52** | **98.88** | **3,928.07** | **51.87** | **3,979.94** |
| 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 |
| **At March 31, 2019** | **679.72** | **750.75** | **15.06** | **1,312.98** | **651.56** | **21.68** | **149.15** | **98.96** | **3,679.86** | **56.78** | **3,736.64** |
| Additions | - | - | 0.11 | 19.39 | 97.28 | 6.41 | 51.35 | 25.00 | 199.54 | 161.57 | 361.11 |
| Disposals | - | - | - | - | - | - | 9.89 | 15.01 | 24.90 | 188.96 | 213.86 |
| Adjustments | - | - | - | - | - | 6.34 | - | - | 6.34 | - | 6.34 |
| Reclassified on account of adoption of, Leases (refer note 32) | - | 750.75 | - | - | - | - | - | 108.95 | 859.70 | - | 859.70 |
| **At March 31, 2020** Ind AS 116 | **679.72** | **-** | **15.17** | **1,332.37** | **748.84** | **21.75** | **190.61** | **-** | **2,988.46** | **29.39** | **3,017.85** |
| **Accumulated Depreciation** | | | | | | | | | | | |
| **At March 31, 2018** | **-** | **4.20** | **8.38** | **119.42** | **211.24** | **6.89** | **72.62** | **48.19** | **470.94** | | |
| 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 | | |
| **At March 31, 2019** | **-** | **2.20** | **6.76** | **175.69** | **303.90** | **7.92** | **95.08** | **57.47** | **649.02** | | |
| Charge for the year | - | - | 3.13 | 57.32 | 72.40 | 2.63 | 23.74 | 20.50 | 179.72 | | |
| Disposals | - | - | - | - | - | - | 8.17 | 11.35 | 19.52 | | |
| Reclassified on account of adoption of, Leases (refer note 32) | - | 2.20 | - | - | - | - | - | 66.62 | 68.82 | | |
| **At March 31, 2020** Ind AS 116 | **-** | **-** | **9.89** | **233.01** | **376.30** | **10.55** | **110.65** | **-** | **740.40** | | |
| Net carrying amount | | | | | | | | | | | |
| At March 31, 2019 | 679.72 | 748.55 | 8.30 | 1,137.29 | 347.66 | 13.76 | 54.07 | 41.49 | 3,030.84 | | |
| **At March 31, 2020** | **679.72** | **-** | **5.28** | **1,099.36** | **372.54** | **11.20** | **79.96** | **-** | **2,248.06** | | |

Note : Buildings include those constructed on Leasehold Land :

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Gross Block | 212.93 | 212.93 |
| Depreciation Charge for the year | 5.89 | 5.89 |
| Accumulated Depreciation | 23.56 | 17.67 |
| **Net Block** | **189.37** | 195.26 |

## 4. INTANGIBLE ASSETS

(₹ in Millions)

| Particulars | Software | Grand Total |
|---|---|---|
| **At cost** | | |
| **At March 31, 2018** | **126.18** | **126.18** |
| Additions | - | - |
| Disposals | - | - |
| **At March 31, 2019** | **126.18** | **126.18** |
| Additions | 0.81 | 0.81 |
| Disposals | - | - |
| **At March 31, 2020** | **126.99** | **126.99** |
| **Amortisation** | | |
| **At March 31, 2018** | **46.25** | **46.25** |
| Amortisation for the year | 26.26 | 26.26 |
| Disposals | - | - |
| **At March 31, 2019** | **72.51** | **72.51** |
| Amortisation for the year | 26.28 | 26.28 |
| Disposals | - | - |
| **At March 31, 2020** | **98.79** | **98.79** |
| Net carrying amount | | |
| **At March 31, 2019** | **53.67** | **53.67** |
| **At March 31, 2020** | **28.20** | **28.20** |

## 5. NON-CURRENT FINANCIAL ASSETS

(₹ in Millions)

| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **(i) TRADE RECEIVABLES** | | | |
| Unsecured - considered good | | 46.30 | 17.28 |
| Trade receivables - credit impaired | | - | 0.07 |
| **Trade receivables (gross)** | | **46.30** | **17.35** |
| Less: Impairment allowance for trade receivables - credit impaired | | | |
| Trade receivables - credit impaired | | - | 0.07 |
| | **(i)** | **46.30** | **17.28** |

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.

(₹ in Millions)

| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **(ii) OTHER FINANCIAL ASSETS (valued at amortised cost)** | | | |
| Security Deposits - unsecured, considered good | | 15.94 | 19.51 |
| Security Deposits - unsecured, considered doubtful | | 13.33 | 94.95 |
| | | **29.27** | **114.46** |
| Less: Impairment allowance for doubtful balances | | 13.33 | 94.95 |
| **Total other financial assets** | **(ii)** | **15.94** | **19.51** |

## 6. OTHER NON-CURRENT ASSETS

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| (Unsecured, considered good) | | |
| Capital advances | 12.29 | 6.87 |
| Others | | |
| Deposits with Statutory/ Government authorities, considered good | 366.36 | 347.07 |
| Deposits with Statutory/ Government authorities, considered doubtful | 30.49 | 20.26 |
| | **396.85** | **367.33** |
| Less: Impairment allowance for doubtful balances | 30.49 | 20.26 |
| | **378.65** | **353.94** |

## 7. INVENTORIES

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Raw materials and components | 1,109.78 | 979.16 |
| Work-in-progress | 522.80 | 885.79 |
| Finished goods | 489.80 | 488.32 |
| Traded goods | 21.04 | 38.37 |
| Stores and spares | 41.11 | 29.59 |
| Total Inventories valued at the lower of cost and net realisable value | **2,184.53** | **2,421.23** |

During the year ended 31 March 2020, ₹ 55.21 Millions (31 March 2019: ₹ 32.10 Millions) was recognised as an expense for inventories carried at net realisable value.

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| The above includes goods in transit as under: | | |
| Raw materials | 222.65 | 77.17 |
| Finished goods | - | 42.96 |
| Traded goods | - | 4.81 |

## 8. CURRENT FINANCIAL ASSETS

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **(i) TRADE RECEIVABLES** | | |
| Unsecured | | |
| Trade receivables- considered good | 4,210.96 | 4,137.46 |
| Trade receivables - credit impaired | 876.13 | 1,060.87 |
| Trade receivables (gross) | 5,087.09 | 5,198.33 |
| Less: Impairment allowance for trade receivables | | |
| Trade receivables - credit impaired | 876.13 | 1,060.87 |
| **(i)** | **4,210.96** | **4,137.46** |
| Trade receivables - other than related parties | 3,369.11 | 3,261.80 |
| Trade receivables from related parties (refer note 34) | 841.85 | 875.66 |
| **Total trade receivables** | **4,210.96** | **4,137.46** |

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:

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Schneider Electric India Private Limited | 508.90 | 499.88 |
| Schneider Electric Solar India Private Limited | 11.66 | 55.02 |
| Schneider Electric Systems India Private limited | 0.06 | 0.06 |
| Schneider Electric President Systems Limited | 2.38 | - |
| Schneider Electric Private Limited | 6.43 | - |
| Mahindra Susten Private Limited | 8.47 | - |
| **(ii) CASH AND CASH EQUIVALENTS** | | |
| Balances with banks: | | |
| Current accounts | 2.08 | 46.55 |
| EEFC accounts | 131.21 | 137.09 |
| **(ii)** | **133.29** | **183.64** |

Note: There are no restriction with regard to cash and cash equivalents as at reporting date and prior periods.
At 31 March 2020, the Company has unutilised credit facilities of ₹ 8,317.39 Millions (31 March 2019: ₹ 7,840.64 Millions) (It includes overdraft, cash credit, letter of credit etc.)

| | | |
|---|---|---|
| **(iii) OTHER BANK BALANCES** | | |
| Unclaimed dividend (refer note below) | - | 0.83 |
| **(iii)** | **-** | **0.83** |

Note: There are no amount due for payment against unclaimed dividend as at the year end.

| | | |
|---|---|---|
| **(iv) OTHER FINANCIAL ASSETS** | | |
| Unsecured considered good unless otherwise stated (at amortised cost) | | |
| Amount recoverable from related parties | 8.55 | 9.33 |
| Recoverable from gratuity trust | 35.93 | - |
| Derivative assets - forward contracts | 7.93 | - |
| Insurance claim receivable | 58.92 | - |
| | 111.33 | 9.33 |
| Security Deposits | 6.52 | 3.31 |
| **(iv)** | **117.85** | **12.64** |

## 9. OTHER CURRENT ASSETS

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Unsecured, considered good unless otherwise stated | | |
| Advance to vendors - Considered good | 114.05 | 101.06 |
| Advance to vendors - Considered doubtful | 68.66 | 43.54 |
| | 182.71 | 144.60 |
| Less : Impairment allowance for doubtful balances | 68.66 | 43.54 |
| **a)** | **114.05** | **101.06** |

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Advance to employees | 2.31 | 10.07 |
| Prepaid expenses | 23.21 | 27.57 |
| Balance in gratuity fund | - | 28.41 |
| Export incentive receivables/duty scrips in hand | 19.71 | 20.81 |
| Loan to employees | 1.92 | 2.18 |
| Unbilled revenue | 80.48 | 20.36 |
| **(b)** | **127.63** | **109.40** |
| Balance with Statutory/ Government authorities - Considered good | 424.14 | 711.12 |
| Balance with Statutory/ Government authorities - Considered doubtful | 11.63 | 25.58 |
| | 435.77 | 736.70 |
| Less : Impairment allowance for doubtful balances | 11.63 | 25.58 |
| **(c)** | **424.14** | **711.12** |
| **(a)+(b)+(c)** | **665.82** | **921.58** |

## 10. EQUITY

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **(A) Equity share capital** | | |
| **(a) Authorized** | | |
| - 250,000,000 (31 March, 2019: 250,000,000) equity shares of ₹ 2 each | 500.00 | 500.00 |
| **Issued, subscribed and fully paid-up** | | |
| - 239,104,035 (31 March, 2019: 239,104,035) equity shares of ₹ 2 each | 478.21 | 478.21 |

**(b) Reconciliation of the shares outstanding at the beginning and at the end of the year**

| | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. of shares (in Millions) | (₹ in Millions) | No. of shares (in Millions) | (₹ 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 ₹ 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 below:

| | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| **Name of Shareholder** | No. of shares (in Millions) | (₹ in Millions) | No. of shares (in Millions) | (₹ 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 ₹ 2 each fully paid:

| Name of Shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of shares (in Millions) | (₹ in Millions) | No. of shares (in Millions) | (₹ in Millions) |
| 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 | 19.81 | 8.28% | 19.16 | 8.01% |

**(B) OTHER EQUITY**

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Equity component of Preference Shares | 845.20 | 845.20 |
| Equity component of Inter Corporate Deposits | 199.01 | 26.61 |
| Share based payments reserve | 133.87 | 133.87 |
| Capital reserve | 410.25 | 410.25 |
| General reserve | 1,534.63 | 1,534.63 |
| Retained earnings | (3,587.10) | (3,194.86) |
| | **(464.14)** | **(244.30)** |
| **Equity component of Preference Shares** | | |
| Opening Balance | 845.20 | 845.20 |
| Add: Changes during the year | - | - |
| | **845.20** | **845.20** |
| **Equity component of Inter Corporate Deposits** | | |
| Opening Balance | 26.61 | 26.61 |
| Add: Changes during the year | 172.40 | - |
| | **199.01** | **26.61** |
| **Share based payments reserve** | | |
| Opening Balance | 133.87 | 121.04 |
| Add: Changes during the year | - | 12.83 |
| | **133.87** | **133.87** |
| **Capital reserve** | | |
| Opening Balance | 410.25 | 410.25 |
| Add: Changes during the year | - | - |
| | **410.25** | **410.25** |
| **General reserve** | | |
| Opening Balance | 1,534.63 | 1,534.63 |
| Add: Changes during the year | - | - |
| | **1,534.63** | **1,534.63** |
| **Retained earnings** | | |
| Opening Balance | **(3,194.86)** | **(2,890.58)** |
| Add: Effect of adoption of new accounting standard | - | (62.56) |
| Add: Profit / (Loss) for the year | (295.75) | (243.66) |
| **Items of other comprehensive income recognised directly in retained earnings** | | |
| Remeasurement of post employment benefit obligation, net of tax (item of OCI) | (96.49) | 1.94 |
| | **(3,587.10)** | **(3,194.86)** |

**Description of nature and purpose of each reserve**

**Share based payments reserve -** The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payments reserve.

**Capital reserve -** At the time of demerger, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.

**General reserve -** At the time of demerger, general reserve was transferred from the demerged company.

## 11. NON-CURRENT FINANCIAL LIABILITIES

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **(i) BORROWINGS** | | |
| Finance lease obligation (refer note "c" below) | - | 32.72 |
| **Loans from related parties (unsecured)** | | |
| - Schneider Electric IT Business India Private Limited (refer note "a" below) | 2,389.49 | - |
| **8% cumulative redeemable preference shares of ₹10 each (refer note "b" below)** | | |
| - Energy Grid Automation Transformers and Switchgears India Private Limited | 349.33 | 321.89 |
| - Schneider Electric IT Business India Private Limited | 884.94 | 815.49 |
| | **3,623.76** | **1,170.10** |
| Less: current maturities clubbed under other current financial liabilities from finance lease obligation (refer note 14(iii) and note "c" below) | - | 10.38 |
| | **3,623.76** | **1,159.72** |
| **The above amount includes** | | |
| - Secured borrowings | - | 32.72 |
| - Unsecured borrowings | 3,623.76 | 1,137.38 |
| | **3,623.76** | **1,170.10** |

a. Inter corporate deposits from group company Schneider Electric IT Business India Private Limited carries interest @ 6.43% per annum and maturity period of 3.5 years.

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. (i) The Company has entered into finance leases 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 instalment within a period of 4 years.

(ii) The Company has adopted Ind AS 116 ""Leases"" effective April 1, 2019 and applied the Accounting Standard to its Finance Leases using the modified retrospective approach (refer note 32).

## 12. NON-CURRENT PROVISIONS

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Provision for warranties (refer note16(ii)(b)) | 150.05 | 216.19 |
| Provision for gratuity (refer note 30) | 44.27 | - |
| | **194.32** | **216.19** |

## 13. NON-CURRENT DEFERRED REVENUE

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Opening | 28.14 | 29.80 |
| Deferred during the year | 19.53 | 28.14 |
| Released/utilised during the year | (28.14) | 29.80 |
| **Closing** | **19.53** | **28.14** |

Note:
The deferred revenue as at March 31, 2020 relates to non current warranty provision valued at amortised cost.

## 14. CURRENT FINANCIAL LIABILITIES

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **(i) BORROWINGS (unsecured)** | | |
| Cash credit from banks | 6.07 | 2.84 |
| Short term loan from banks | 160.21 | 144.21 |
| Foreign currency loan from banks | - | 235.12 |
| Loan from related party : | | |
| - Schneider Electric IT Business India Private Limited | 988.64 | 2,980.19 |
| | **1,154.92** | **3,362.36** |

Note:

1) Short term loan from banks includes the liabilities towards vendors discounting for ₹ 10.21 million. The short term borrowings carries interest rate of 4% per annum and vendor discounting carries interest rate of 8.85% per annum (31st March 2019 : 7.40% to 8.05% per annum). The loan is repayable within 180 days from the balance sheet date.

2) Loan taken from Schneider Electric IT Business India Private Limited carries interest rate of 6.15% per annum (31st March 2019 : 6.50% to 6.85% per annum). The loan is repayable on demand as at the balance sheet date.

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **(ii) TRADE PAYABLES** | | |
| Total outstanding dues of Micro, Small and Medium enterprises (refer note below for details of dues to Micro,Small and Medium enterprises) | 185.71 | 264.05 |
| Total outstanding dues of creditors other than Micro, Small and Medium enterprises | 4,271.72 | 4,456.44 |
| | **4,457.43** | **4,720.49** |

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 ₹ 2,414.08 Millions (March 31, 2019 : ₹ 2,015.75 Millions) (refer note 34).

(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, 2020 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.

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act: | | |
| Principal | 185.71 | 264.05 |
| Interest | 0.70 | 1.00 |
| ii) The amount of interest paid by the buyer in terms of section16, 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. | 4.32 | 5.79 |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting year. | 46.48 | 41.46 |
| 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 | 46.48 | 41.46 |

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **(iii) OTHER FINANCIAL LIABILITIES** | | |
| Current maturities of finance lease obligation (Refer note 11(i)) | - | 10.38 |
| Interest accrued but not due on borrowings | 2.32 | 27.06 |
| Interest accrued and due on borrowings | 38.41 | - |
| Interest accrued and due to MSMED creditors | 46.48 | 41.46 |
| Security deposits | 16.18 | 16.34 |
| Derivative liability - forward contracts | - | 41.30 |
| Provision for Unclaimed dividend* | - | 0.83 |
| Capital creditors | 14.44 | 40.77 |
| | **117.83** | **178.14** |

## 15. OTHER CURRENT LIABILITIES

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Advance from customers | 365.84 | 405.44 |
| Advance billing to customers | 257.29 | 284.52 |
| Statutory dues payables | 57.95 | 51.54 |
| | **681.08** | **741.50** |

## 16. CURRENT PROVISIONS

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **i) Provision for employee benefits** | | |
| Leave encashment | 114.94 | 78.66 |
| | **114.94** | **78.66** |
| **ii) Other provisions** | | |
| Provision for restructuring (refer note a below) | 38.97 | 108.77 |
| Provision for warranties (refer note b below) | 359.65 | 319.00 |
| Provision for litigations/contingencies net of amount deposited under protest with tax authorities ₹ 331.72 million (31st March 2019 ₹ 332.27 million) (refer note c below) | 290.92 | 323.54 |
| Provision for contract losses (refer note d below) | 7.46 | 6.45 |
| | **697.00** | **757.76** |
| | **811.94** | **836.42** |

**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.

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| At the beginning of the year | 108.77 | - |
| Creation / (arising) during the year | (13.52) | 280.04 |
| Utilized during the year | 56.28 | 171.27 |
| **At the end of the year** | **38.97** | **108.77** |

**b) Provision for warranties**

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 are based on current and previous period sales level and the failure trend in respect of defects.

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| At the beginning of the year | 535.19 | 514.97 |
| Arising during the year | 287.22 | 365.87 |
| Reversal during the year | (187.24) | (169.96) |
| Utilised during the year | (120.19) | (160.49) |
| Unwinding of discount | (5.28) | (15.20) |
| **At the end of the year** | **509.70** | **535.19** |
| Current portion | 359.65 | 319.00 |
| Non-current portion | 150.05 | 216.19 |

**c) Provision for Litigations/Contingencies**

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.

**A) Litigations/Contingencies provision**

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| At the beginning of the year | 655.81 | 664.83 |
| Arising during the year | - | 1.97 |
| Utilised during the year | (25.58) | - |
| Reversal during the year | (7.59) | (10.99) |
| **At the end of the year** | **622.64** | **655.81** |
| | | |
| **B) Deposits under protest with tax authorities** | | |
| At the beginning of the year | (332.27) | (271.70) |
| Deposits made during the year | (48.09) | (77.36) |
| Utilised during the year | 48.64 | 16.79 |
| **At the end of the year** | **(331.72)** | **(332.27)** |
| | | |
| **Provision for Litigations/Contingencies (A-B)** | **290.92** | **323.54** |

**d) Provision for contract losses**

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.

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| At the beginning of the year | 6.45 | 2.51 |
| Arising during the year | 1.01 | 6.77 |
| Utilized during the year | - | (2.83) |
| **At the end of the year** | **7.46** | **6.45** |

## 17. INCOME TAXES

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **(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 | - | - |
| Income tax expense reported in the statement of profit or loss | - | - |
| **(b) Other Comprehensive Income** | | |
| Remeasurement of the defined benefit plan | (96.49) | 1.94 |
| Income tax related to items recognised in OCI during the year | - | - |
| **(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :** | | |
| Accounting profit before tax | (295.75) | (243.66) |
| Applicable tax rate | 34.94% | 34.94% |
| Computed Tax Expense | (103.34) | (85.14) |
| **Income tax charged to Statement of Profit and Loss** | **-** | **-** |

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:

(₹ in Millions)

| | Balance sheet | |
|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 |
| **Deferred income tax assets** | | |
| Expenses allowable on payment basis | 65.27 | 49.26 |
| Brought forward losses and unabsorbed depreciation | 1,180.73 | 966.15 |
| Disallowance for doubtful debts and others | 306.15 | 370.71 |
| Disallowance for lease liabilities | 41.65 | - |
| Disallowance for provision for Litigations | 103.96 | 139.24 |
| Others | 53.49 | 93.66 |
| **Total deferred income tax assets (Gross)** | **1,751.25** | **1,619.02** |
| | | |
| **Deferred income tax liabilities** | | |
| Increase in value of Land through fair valuation at transition date | 240.81 | 243.56 |
| Disallowance for Right-of-use assets | 40.95 | - |
| Impact of fair valuation of preference share capital and inter-corporate deposits | 240.63 | 212.73 |
| Accelerated depreciation on property, plant and equipment & Intangible asset for income tax purposes | 85.05 | 65.20 |
| Others | 9.60 | 9.84 |
| **Total deferred income tax liabilities (Gross)** | **617.04** | **531.33** |
| **Deferred income tax assets (Net)** | **1,134.21** | **1,087.69** |

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

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **A) Revenue from contracts with customers** | | |
| Sale of Products | | |
| Sale of finished goods | 11,280.28 | 11,496.52 |
| Sale of traded goods | 49.00 | 125.31 |
| | **11,329.28** | **11,621.83** |
| Sale of Services | 804.42 | 758.97 |
| Project revenue | 1,597.33 | 1,334.18 |
| **Other operating revenues** | | |
| Scrap sales | 78.28 | 125.58 |
| | 13,809.31 | 13,840.56 |
| **B) Export incentives** | **34.79** | **62.58** |
| **Revenue from operations (A) + (B)** | **13,844.10** | **13,903.14** |

Refer note 39 for disclosure of revenue from contract with customers under Ind AS 115.

## 19. OTHER INCOME

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Interest income on** | | |
| Bank deposits | 2.05 | 0.03 |
| **Other non-operating income** | | |
| Excess provisions/liabilities written back | 36.52 | 381.12 |
| Net gain on disposal of property, plant and equipment | 2.46 | 13.49 |
| Bad debts recovered | 70.79 | 11.84 |
| Deferred revenue released during the year (refer note 13) | 8.61 | 13.99 |
| Others | - | 14.13 |
| | **120.43** | **434.60** |

## 20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Inventory at the beginning of the year | 979.16 | 910.02 |
| Add: Purchases during the year | 9,551.71 | 9,640.63 |
| | **10,530.87** | **10,550.65** |
| Less: inventory at the end of the year | 1,109.78 | 979.16 |
| **Cost of raw material and components consumed** | **9,421.09** | **9,571.49** |

## 21. PURCHASE OF TRADED GOODS

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Purchases of traded goods | 30.53 | 80.98 |
| | **30.53** | **80.98** |

## 22. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS AND TRADED GOODS

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Work in Progress | | |
| At the beginning of the year | 885.79 | 801.34 |
| Less: At the end of the year | 522.80 | 885.79 |
| **(Increase) / Decrease in Work in progress** | **362.99** | **(84.45)** |
| | | |
| Finished Goods | | |
| At the beginning of the year | 488.32 | 898.35 |
| Less: At the end of the year | 424.74 | 488.32 |
| Less: Inventory loss due to flood at Vadodara | 65.06 | - |
| **(Increase) / Decrease in Finished goods** | **(1.48)** | **410.03** |
| **Traded Goods** | | |
| At the beginning of the year | 38.37 | 70.75 |
| Less: At the end of the year | 21.04 | 38.37 |
| **(Increase) / Decrease in Traded goods** | **17.33** | **32.38** |
| | | |
| **(Increase) / Decrease in inventories** | **378.84** | **357.96** |

## 23. EMPLOYEE BENEFITS EXPENSES

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Salaries, wages and bonus | 1,801.21 | 1,732.95 |
| Contribution to provident, Superannuation and other funds | 99.46 | 82.79 |
| Employee Stock Options (refer note 31) | 10.25 | 12.83 |
| Gratuity expense (refer note 30) | 19.72 | 18.01 |
| Staff welfare expenses | 164.39 | 150.90 |
| | **2,095.03** | **1,997.48** |

## 24. FINANCE COSTS

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Interest expenses* | 457.98 | 420.70 |
| Bank charges | 22.80 | 21.99 |
| Foreign exchange variation treated as borrowing cost | - | 1.14 |
| | **480.78** | **443.83** |

* includes interest on delayed payment of statutory dues ₹ 0.26 Million (March 31, 2019 ₹ 0.23 Million) and interest under Micro, Small and Medium Enterprises Act ₹ 5.02 Million (March 31, 2019 ₹ 6.79 Million).

## 25. DEPRECIATION AND AMORTISATION

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Depreciation expenses | 159.22 | 231.60 |
| Depreciation expenses on Right-of-use assets | 32.79 | - |
| Amortisation expenses | 26.28 | 26.26 |
| | **218.29** | **257.86** |

## 26. OTHER EXPENSES

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Consumption of stores and spares | 13.57 | 7.90 |
| Power and fuel | 68.74 | 79.71 |
| Royalty | 1.76 | 1.78 |
| Freight charges | 118.78 | 125.64 |
| Rent | 127.66 | 117.80 |
| Rates and taxes | 11.08 | 20.75 |
| Directors' sitting fees | 2.68 | 2.40 |
| Insurance charges | 33.37 | 20.93 |
| Repairs and maintenance : | | |
| - Plant & machinery | 42.46 | 45.50 |
| - Buildings | 65.67 | 37.99 |
| - Others | 45.20 | 47.79 |
| Travelling and conveyance | 170.62 | 187.39 |
| Auditor's remuneration | | |
| - Audit fee | 9.60 | 8.10 |
| - Tax Audit fees | 0.80 | 0.80 |
| - Limited review | 4.10 | 4.10 |
| - Certification and others | 0.10 | 0.20 |
| - Reimbursement of expenses | 1.32 | 0.90 |
| Warranty expenses | 99.98 | 195.91 |
| Loss on foreign exchange differences and mark to market impact (net) | 63.76 | 59.51 |
| Provision for contract loss | 1.01 | 6.77 |
| Impairment allowance on trade receivables | 27.05 | - |
| Provision for doubtful loans and advances | 36.76 | 19.20 |
| Trade mark fees | 186.47 | 203.68 |
| Data management charges | 171.24 | 153.21 |
| Management support charges | 58.28 | - |
| Legal and professional charges | 165.85 | 141.57 |
| Miscellaneous expenses | 121.33 | 102.23 |
| **Total** | **1,649.24** | **1,591.76** |

## 27. EXCEPTIONAL ITEMS

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Restructuring expenses | (13.52) | 280.04 |
| | **(13.52)** | **280.04** |

Exceptional items in comparative period represent expenses incurred under the organisational restructuring, to achieve higher efficiency, planned for over a period of time and includes shifting of factory lines to other locations and related employees settlement cost, there is a reversal of excess provision during the current year.

## 28. COMPONENT OF OTHER COMPREHENSIVE INCOME

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| The disaggregation of changes to OCI in equity is shown below: | | |
| Remeasurement of the defined benefit plan (net of tax) (refer note 30) | (96.49) | 1.94 |
| | **(96.49)** | **1.94** |

## 29. EARNINGS PER SHARE

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **(a) Basic Earnings per share** | | |
| Numerator for earnings per share | | |
| Profit/(loss) for the year | (295.75) | (243.66) |
| 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 ₹ 2 each)** | (1.24) | (1.02) |
| **(b) Diluted Earnings per share** | | |
| Numerator for earnings per share | | |
| Profit/(loss) for the year | (295.75) | (243.66) |
| 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 ₹ 2 each)** | **(1.24)** | **(1.02)** |

## 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:

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Provident Fund, Superannuation and other Funds | 99.46 | 82.79 |
| | **99.46** | **82.79** |

**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:

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **a) Reconciliation of opening and closing balances of Defined Benefit obligation** | | |
| Present value of Defined Benefit obligation at the beginning of the year | 183.94 | 184.70 |
| Interest Expense | 14.09 | 14.24 |
| Current Service Cost | 19.32 | 17.31 |
| Benefits paid | (22.41) | (28.87) |
| Actuarial changes arising from changes in demographic assumptions | (0.15) | - |
| Actuarial changes arising from changes in financial assumptions | 84.03 | 0.94 |
| Actuarial changes arising from changes in experience adjustments | 7.38 | (4.38) |
| **Defined Benefit obligation at year end** | **286.20** | **183.94** |
| | | |
| **b) Reconciliation of opening and closing balances of fair value of plan assets** | | |
| Fair value of plan assets at beginning of the year | 212.35 | 175.62 |
| Expected return on plan assets | 13.69 | 13.54 |
| Actuarial gain /(loss) for the year on plan assets | (5.23) | (1.50) |
| Employer contribution | 60.00 | 53.56 |
| Benefits payment from plan assets | (38.88) | (28.87) |
| **Fair value of plan assets at year end** | **241.93** | **212.35** |
| | | |
| **c) Net defined benefit asset/ (liability) recognised in the balance sheet** | | |
| Fair value of plan assets | 241.93 | 212.35 |
| Present value of defined benefit obligation | 286.20 | 183.94 |
| **Amount recognised in Balance Sheet- Asset / (Liability)** | **(44.27)** | **28.41** |

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **d) Net defined benefit expense (Recognised in the Statement of profit and loss for the year)** | | |
| Current Service Cost | 19.32 | 17.31 |
| Net Interest Cost | 0.40 | 0.70 |
| **Net defined benefit expense debited to statement of profit and loss** | **19.72** | **18.01** |
| | | |
| **e) Remeasurement (gain)/ loss recognised in other comprehensive income** | | |
| Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO | (0.15) | - |
| Actuarial (Gain) / Loss due to Financial Assumption changes in DBO | 84.03 | 0.94 |
| Actuarial (Gain) / Loss due to Experience on DBO | 7.38 | (4.38) |
| Return on Plan Assets (Greater) / Less than Discount rate | 5.23 | 1.50 |
| **Recognised in other comprehensive income** | **96.49** | **(1.94)** |
| | | |
| **f) Broad categories of plan assets as a percentage of total assets** | | |
| **Insurer managed funds** | **100%** | **100%** |

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **g) Principal assumptions used in determining defined benefit obligation** | | |
| Mortality Table (LIC) | 100% of IALM (2012 - 14) | 100% of IALM (2006 - 08) |
| Discount rate (per annum) | 6.65% | 7.66% |
| Salary Escalation | 7.00% | 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 |

(₹ in Millions)

| | 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 | 286.20 |
| **Discount Rate** | |
| Increase by 0.50% | (16.86) |
| Decrease by 0.50% | 18.42 |
| Defined Benefit obligation at year end | 286.20 |
| **Salary Increase** | |
| Increase by 0.50% | 18.26 |
| Decrease by 0.50% | (16.89) |

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 | (₹ in Millions) |
|---|---|
| April 2020- March 2021 | 12.51 |
| April 2021- March 2022 | 7.27 |
| April 2022- March 2023 | 11.99 |
| April 2023- March 2024 | 12.00 |
| April 2024- March 2025 | 14.05 |
| March 2025 onwards | 105.14 |

j) The Company's best estimate of expense for the next annual reporting period is ₹ 34.31 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 -

A) 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.

B) 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.

C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) 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 |
| Plan 37 | 24-Mar-20 | 24-Mar-23 | 24-Mar-23 |

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.

The expense recognised for employee services received during the year is shown in the following table:

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Expense arising from equity-settled share-based payment transactions | 10.25 | 12.83 |
| **Total expense arising from share-based payment transactions** | **10.25** | **12.83** |

There were cancellations or modifications in performance stock unit. Refer below movement for details:-

**Movements during the year**

**Performance Stock Unit**

| | As at March 31, 2020 Number | As at March 31, 2019 Number |
|---|---|---|
| Outstanding at 1 April | 21,190 | 26,695 |
| Granted during the year | 2,100 | 3,100 |
| Forfeited during the year | (3,652) | (8,110) |
| Exercised during the year | (12,788) | (4,878) |
| Stock pertaining to employee transferred from other group companies | 1,200 | 6,040 |
| Stock pertaining to employee transferred to other group companies | (2,500) | (1,657) |
| **Outstanding at 31 March** | **5,550** | **21,190** |

## 32 LEASES

As a lessee

The Company adopted Ind AS 116, Leases, using the modified retrospective method, with the date of initial application on April 01, 2019.

The Company has lease contracts for various Properties (e.g. Sales office, Warehouse, leasehold land etc), Solar power equipment, office equipment's etc used in its operations. Leases of property other than leasehold land generally have lease terms between 2 to 20 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below. The Company also has certain leases of property and machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(₹ in Millions)

| | Leasehold Properties | Other | Total |
|---|---|---|---|
| **Gross Block** | | | |
| As at April 01, 2019 | - | - | - |
| Additions on account transition to Ind AS 116, leases | 16.24 | 47.60 | 63.84 |
| Reclassified on account of adoption of Ind AS 116, Leases (refer note 3) | 750.75 | 98.96 | 849.71 |
| Additions during the year | 21.88 | 25.00 | 46.88 |
| Deletion | - | 15.01 | 15.01 |
| **As at March 31, 2020*** | **788.87** | **156.55** | **945.42** |
| **Accumulated depreciation** | | | |
| As at April 01, 2019 | - | - | - |
| Reclassified on account of adoption of Ind AS 116, Leases (refer note 3) | 2.20 | 57.47 | 59.67 |
| Charge for the year (refer note 25) | 9.71 | 23.08 | 32.79 |
| Deletion | - | 11.35 | 11.35 |
| **As at March 31, 2020** | **11.91** | **69.20** | **81.11** |
| **Net block as at March 31, 2020*** | **776.96** | **87.35** | **864.31** |

* Other includes reclassifications of vehicles taken on lease, WDV of ₹ 42.33 million (Gross block of ₹108.95 million, accumulated depreciation ₹ 66.62 million), on account of adoption of Ind AS 116, Leases (refer note 3).

**Set out below are the carrying amounts of lease liabilities and the move3ments during the period:**

(₹ in Millions)

| | As at March 31, 2020 |
|---|---|
| As at April 01, 2019 | |
| Additions on account transition to Ind AS 116, leases | 96.57 |
| Additions | 43.76 |
| Accretion of interest | 21.46 |
| Payments | (39.42) |
| Deletion | (3.17) |
| **As at March 31, 2020** | **119.20** |
| | |
| Current | 16.11 |
| Non-current | 103.09 |

a) The effective interest rate for lease liabilities is 8.5% to 8.75%, with maturity between 2020-2036

b) The maturity analysis of lease liabilities as at March 31, 2020 on an undiscounted basis are shown below:

| | |
|---|---|
| i) not later than one year | 31.58 |
| ii) later than one year but not later than five years | 72.82 |
| iii) later than five years | 66.78 |

(₹ in Millions)

| | As at March 31, 2020 |
|---|---|
| c) The following are the amounts recognised in profit or loss | |
| Depreciation expense of right-of-use assets | 32.79 |
| Interest expense on lease liabilities | 21.46 |
| Expense relating to short-term leases and low value leases (included in other expenses) | 10.43 |

d) The Company had total cash outflows for leases of ₹ 39.42 million during the year ended March 31, 2020 (March 31, 2019: Nil). The Company also had non-cash additions to right-of-use assets of ₹ 46.89 million and lease liabilities of ₹ 43.76 million as at March 31, 2020 (March 31, 2019: Nil).

e) The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

## 33 COMMITMENTS AND CONTINGENCIES

**A. Contingent Liabilities**

(₹ in Millions)

| | Period of demand | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| A.1 Income Tax | | | |
| | 2011-12 to 2013-2014 | 441.59 | 360.67 |
| | | 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.

(₹ in Millions)

| | As at March 31, 2020 | | | | |
|---|---|---|---|---|---|
| | Total Demand including Alstom share | Company's share | Contingent Liability | Provision | Deposits made under protest |
| a. Excise and Service Tax | 93.93 | 12.70 | 6.18 | 6.52 | - |
| | (105.90) | (23.65) | (17.13) | (6.52) | - |
| b. Sales Tax | 1,209.24 | 509.99 | 139.10 | 370.90 | 296.01 |
| | (1,420.34) | (630.71) | (231.98) | (398.73) | (304.72) |
| **Total** | **1,303.17** | **522.69** | **145.28** | **377.42** | **296.01** |
| | (1,526.24) | (654.36) | (249.11) | (405.25) | (304.72) |

Amount in brackets represents amount as at March 31, 2019

A.3 Other Indirect Tax cases

(₹ in Millions)

| | As at March 31, 2020 | | |
|---|---|---|---|
| | Contingent Liability | Provision | Deposits made under protest |
| a. Excise and Service Tax | 23.72 | 6.34 | 1.82 |
| | (54.87) | (13.92) | (4.12) |
| b. Sales Tax | 648.76 | 194.51 | 132.02 |
| | (677.36) | (185.91) | (108.41) |
| c. Custom Duty | 321.86 | - | - |
| | (5.59) | - | - |
| **Total** | **994.34** | **200.85** | **133.84** |
| | (737.82) | (199.83) | (112.53) |

Amount in brackets represents amount as at March 31, 2019

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. As on Balance Sheet reporting date, nothing have been utilised (March 31, 2019- ₹ 72.51 Million). 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**

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Commitments relating to purchase of tangible assets | 91.22 | 48.63 |
| Bank guarantees provided against advance from customers and performance obligation under contracts with customers | 3,085.59 | 3,455.00 |
| | **3,176.81** | **3,503.63** |

## 34 RELATED PARTY TRANSACTIONS

Following are the Related Parties and transactions entered with related parties for the year:

**(A) Names of related parties and description of 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 Ltd, 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, Brasil | Schneider Electric South Africa (Pty.) Ltd, South Africa |
| Schneider Electric Bulgaria Eood, Bulgaria | Schneider Electric Systems Austria Gmbh, Austria |
| Schneider Electric Canada Inc., Canada | Schneider Electric Taiwan Co Ltd, China |
| Schneider Electric D.O.O., Croatia | Schneider Electric Telecontrol SAS, France |
| Schneider Electric De Colombia SA, Colombia | Schneider Electric Usa, Inc., USA |
| Schneider Electric Distribution Company, Egypt | Schneider Electric Vietnam Co. Ltd, Vietnam |
| Schneider Electric Dms Ns, Serbia | Schneider Elektrik Sanayi Ve Ticaret A.S., Turkey |
| Schneider Electric East Mediterranean SAL Lebnon | Schneider Enerji Endustrisi Sanayi Ve Ticaret A.S., Turkey |
| Schneider Electric Energy France SAS, France | Schneider Enerji Endüstrisi Sanayi Ve Ticaret Anonim Sirketi, Turkey |
| Schneider Electric Energy Hungary Electric Switchboard Production Ltd, Hungary | Schneider Switchgear (Suzhou) Co, Ltd, China |
| Schneider Electric Espana SA, Utd.Arab Emir. | Shanghai Schneider Electric Power Automation Co. Ltd, China |
| Schneider Electric FZE, Utd.Arab Emir. | Schneider Electric Software India Private Limited |
| Schneider Electric Gmbh, Germany | Société Électrique d'Aubenas SAS, France |
| Schneider Electric India Private Limited, India | Telvent USA, LLC, USA |
| Schneider Electric Industries (M) Sdn Bhd, Malaysia | Vamp Oy, Finland |
| Schneider Electric Industries SAS, France | Schneider Electric Infrastructure Limited Emp Group Gratuity Assurance Scheme |
| ZAO Gruppa Kompaniy Electroshield, Russia | Schneider Electric Maroc, Morocco |
| Schneider Electric IT Logistics Asia Pacific Pte. Ltd, Singapore | Gutor Electronic Gmbh, Germany |
| Schneider Electric Egypt S.A.E., Egypt | Gutor Electronic Asia Pacific Sdn. Bhd., Malaysia |
| Schneider Electric Services International SPRL, Belgium | Schneider Electric Plants Saudi Arabia Co., UAE |
| Schneider (Beijing) Medium & Low Voltage Co., Ltd, China | |

**(iii) Key Management Personnel**

- Mr. Bruno Bernard Dercle, Managing Director w.e.f August 01, 2018
- Mr. Vivek Sarwate, Whole Time Director till May 22, 2019
- Mr. Piyush Pandey, Whole Time Director w.e.f May 22, 2019
- Mr. Prakash Kumar Chandraker Managing Director till 31st July 2018
- Mr. Anil Rustgi, Company Secretary till July 04, 2018
- Ms. Bhumika Sood, Company Secretary w.e.f July 27, 2018
- Mr. Arnab Roy, Chief Financial Officer (Whole Time Director w.e.f June 16, 2020)

**(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. Ranjan Pant, Director
- Mr. Subramanian Vishar Vasudeven, Director

(B) Transactions during the year

| S. No | Particulars | Related party where control Exists | | Fellow subsidiaries | | Key Management Personnel and other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| (1) | **SALE OF GOODS** | | | | | | | | |
| | Schneider Electric Industries SAS, France | 0.60 | 1.97 | | | - | - | 0.60 | 1.97 |
| | Schneider Electric India Private Limited, India | - | - | 1,901.55 | 1,684.83 | - | - | 1,901.55 | 1,684.83 |
| | Schneider Electric IT Business India Private Limited, India | - | - | 191.69 | 315.87 | - | - | 191.69 | 315.87 |
| | Others | - | - | 613.74 | 692.96 | - | - | 613.74 | 692.96 |
| | **Total** | **0.60** | **1.97** | **2,706.98** | **2,693.66** | **-** | **-** | **2,707.58** | **2,695.63** |
| (2) | **SALE OF SERVICES** | | | | | | | | |
| | Schneider Electric France SAS, France | - | - | 43.52 | 29.44 | - | - | 43.52 | 29.44 |
| | Schneider Electric India Private Limited, India | - | - | 68.85 | 139.78 | - | - | 68.85 | 139.78 |
| | Schneider Electric Industries SAS, France | 100.16 | 17.21 | - | - | - | - | 100.16 | 17.21 |
| | Others | - | - | 136.23 | 68.08 | - | - | 136.23 | 68.08 |
| | **Total** | **100.16** | **17.21** | **248.60** | **237.30** | **-** | **-** | **348.76** | **254.51** |
| (3) | **PURCHASE OF GOODS** | | | | | | | | |
| | Schneider Electric Industries SAS, France | 643.17 | 640.22 | | | - | - | 643.17 | 640.22 |
| | Schneider Electric India Private Limited, India | - | - | 1,007.05 | 880.35 | - | - | 1,007.05 | 880.35 |
| | Schneider Electric Sachsenwerk Gmbh, Germany | - | - | 507.05 | 565.99 | - | - | 507.05 | 565.99 |
| | Vamp OY, Finland | - | - | 288.66 | 281.00 | - | - | 288.66 | 281.00 |
| | Others | - | - | 339.08 | 1,058.56 | - | - | 339.08 | 1,058.56 |
| | **Total** | **643.17** | **640.22** | **2,141.84** | **2,785.90** | **-** | **-** | **2,785.01** | **3,426.12** |
| (4) | **PURCHASE OF SERVICES** | | | | | | | | |
| | Schneider Electric India Private Limited, India | - | - | 119.56 | 100.49 | - | - | 119.56 | 100.49 |
| | Schneider Electric Private Limited, India | - | - | 146.02 | 1.28 | - | - | 146.02 | 1.28 |
| | Schneider Electric Industries SAS, France | 0.40 | 1.05 | | | - | - | 0.40 | 1.05 |
| | Schneider Electric Espana SA, Spain | - | - | 107.22 | 6.39 | - | - | 107.22 | 6.39 |
| | Others | - | - | 73.80 | 61.37 | - | - | 73.80 | 61.37 |
| | **Total** | **0.40** | **1.05** | **446.60** | **169.53** | **-** | **-** | **447.00** | **170.58** |
| (5) | **REIMBURSEMENT BY THE COMPANY** | | | | | | | | |
| | Schneider Electric India Private Limited, India | - | - | 131.76 | 125.13 | - | - | 131.76 | 125.13 |
| | Others | - | - | 0.74 | 0.72 | - | - | 0.74 | 0.72 |
| | **Total** | **-** | **-** | **132.50** | **125.85** | **-** | **-** | **132.50** | **125.85** |

| S. No | Particulars | Related party where control Exists | | Fellow subsidiaries | | Key Management Personnel and other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| (6) | **REIMBURSEMENT TO THE COMPANY** | | | | | | | | |
| | Schneider Electric Industries SAS, France | 68.88 | - | | | - | - | 68.88 | - |
| | Schneider Electric India Private Limited, India | - | - | 21.62 | - | - | - | 21.62 | - |
| | Others | - | - | 36.54 | 2.83 | - | - | 36.54 | 2.83 |
| | **Total** | **68.88** | **-** | **58.16** | **2.83** | **-** | **-** | **127.04** | **2.84** |
| 7) | **MANAGERIAL REMUNERATION (refer note 1)** | | | | | | | | |
| | Prakash Kumar Chandraker | - | - | - | - | - | 16.46 | - | 16.46 |
| | Bruno Bernard Dercle | - | - | - | - | 26.50 | 16.11 | 26.50 | 16.11 |
| | Vivek Sarwate | - | - | - | - | 1.44 | 10.56 | 1.44 | 10.56 |
| | Piyush Pandey | - | - | - | - | 6.20 | - | 6.20 | - |
| | Arnab Roy | - | - | - | - | 21.22 | 16.89 | 21.22 | 16.89 |
| | Anil Rustgi | - | - | - | - | - | 6.12 | - | 6.12 |
| | Bhumika Sood | - | - | - | - | 6.14 | 3.79 | 6.14 | 3.79 |
| | **Total** | **-** | **-** | **-** | **-** | **61.50** | **69.93** | **61.50** | **69.93** |
| | **Compensation to Key Managerial Personnel of the company** | | | | | | | | |
| | **Category** | | | | | | | | |
| | Short Term Employee Benefit | - | - | - | - | 59.29 | 65.26 | 59.29 | 65.26 |
| | Share Based Payment | - | - | - | - | 2.21 | 4.67 | 2.21 | 4.67 |
| | | **-** | **-** | **-** | **-** | **61.50** | **69.93** | **61.50** | **69.93** |
| (8) | **SITTING FEES TO DIRECTORS** | | | | | | | | |
| | Vinod Kumar Dhall | - | - | - | - | 0.88 | 0.92 | 0.88 | 0.92 |
| | Subramanian Vishar Vasudeven | - | - | - | - | 0.84 | 0.76 | 0.84 | 0.76 |
| | Ranjan Pant | - | - | - | - | 0.72 | 0.72 | 0.72 | 0.72 |
| | Namrata Kaul | - | - | - | - | 0.08 | - | 0.08 | - |
| | Geeta Mathur | - | - | - | - | 0.16 | - | 0.16 | - |
| | **Total** | **-** | **-** | **-** | **-** | **2.68** | **2.40** | **2.68** | **2.40** |
| 9) | **INTEREST EXPENSES** | | | | | | | | |
| | Schneider Electric IT Business India Private Limited, India | - | - | 305.80 | 279.99 | - | - | 305.80 | 279.99 |
| | Energy Grid Automation Transformers and Switchgears India Private Limited, India | 27.44 | 25.22 | - | - | - | - | 27.44 | 25.22 |
| | **Total** | **27.44** | **25.22** | **305.80** | **279.99** | **-** | **-** | **333.24** | **305.21** |
| (10) | **TRADEMARK FEES** | | | | | | | | |
| | Schneider Electric Services International SPRL, Belgium | - | - | 186.47 | 203.68 | - | - | 186.47 | 203.68 |
| | **Total** | **-** | **-** | **186.47** | **203.68** | **-** | **-** | **186.47** | **203.68** |
| (11) | **DATA MANAGEMENT CHARGES** | | | | | | | | |
| | Schneider Electric Industries SAS, France | 133.09 | 108.37 | - | - | - | - | 133.09 | 108.37 |
| | Schneider Electric Private Limited, India | | | 32.32 | 38.77 | - | - | 32.32 | 38.77 |
| | **Total** | **133.09** | **108.37** | **32.32** | **38.77** | **-** | **-** | **165.41** | **147.14** |

| S. No | Particulars | Related party where control Exists | | Fellow subsidiaries | | Key Management Personnel and other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| (12) | **MANAGEMENT SUPPORT CHARGES** | | | | | | | | |
| | Schneider Electric Industries SAS, France | 58.28 | - | - | - | - | - | 58.28 | - |
| | **Total** | **58.28** | **-** | **-** | **-** | **-** | **-** | **58.28** | **-** |
| (13) | **SALE OF TANGIBLE ASSETS** | | | | | | | | |
| | Schneider Electric India Private Limited, India | 50.52 | 125.63 | - | - | - | - | 50.52 | 125.63 |
| | **Total** | **50.52** | **125.63** | **-** | **-** | **-** | **-** | **50.52** | **125.63** |
| (14) | **PURCHASE OF TANGIBLE ASSETS** | | | | | | | | |
| | Schneider Electric Industries SAS, France | 0.68 | 50.25 | | | | | 0.68 | 50.25 |
| | Others | 1.80 | - | - | 5.35 | - | - | 1.80 | 5.35 |
| | **Total** | **2.48** | **50.25** | **-** | **5.35** | **-** | **-** | **2.48** | **55.60** |
| (15) | **SHORT TERM BORROWINGS TAKEN (NET)** | | | | | | | | |
| | Schneider Electric IT Business India Private Limited, India | - | - | 558.45 | 88.40 | - | - | 558.45 | 88.40 |
| | **Total** | **-** | **-** | **558.45** | **88.40** | **-** | **-** | **558.45** | **88.40** |

**( C ) Balances Outstanding at the year end:**

| Particulars | Related party where control Exists | | Fellow subsidiaries | | Key Management Personnel and other related parties | |
|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **LONG TERM BORROWINGS** | | | | | | |
| 8 Percent Cumulative Redeemable Preference Shares of ₹ 10 Each Fully Paid Up : | | | | | | |
| Energy Grid Automation Transformers and Switchgears India Private Limited, India | 349.33 | 321.89 | | | - | - |
| Scheneider Electric IT Business India Private Limited, India | - | - | 884.94 | 815.49 | - | - |
| Inter Corporate Deposit : | - | - | | | - | - |
| Scheneider Electric IT Business India Private Limited, India | - | - | 2,389.49 | - | - | - |
| **Total** | **349.33** | **321.89** | **3,274.43** | **815.49** | **-** | **-** |
| **SHORT TERM BORROWINGS** | | | | | | |
| Schneider Electric IT Business India Private Ltd, India | - | - | 988.64 | 2,980.19 | - | - |
| **Total** | **-** | **-** | **988.64** | **2,980.19** | **-** | **-** |
| **TRADE PAYABLES** | | | | | | |
| Schneider Electric India Private Limited, India | - | - | 654.92 | 364.30 | - | - |
| Schneider Electric Industries SAS, France | 686.70 | 502.24 | | | - | - |
| Schneider Electric Services International SPRL | - | - | 333.19 | 444.13 | - | - |
| Others | - | - | 739.26 | 705.08 | - | - |
| **Total** | **686.70** | **502.24** | **1,727.37** | **1,513.51** | **-** | **-** |
| **OTHER FINANCIAL LIABILITIES** | | | | | | |
| Schneider Electric IT Business India Private Ltd, India | - | - | 38.41 | 25.83 | - | - |
| **Total** | **-** | **-** | **38.41** | **25.83** | **-** | **-** |

| Particulars | Related party where control Exists | | Fellow subsidiaries | | Key Management Personnel and other related parties | |
|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **TRADE RECEIVABLES** | | | | | | |
| Schneider Electric India Private Limited, India {Provision for doubtful trade receivables amounting to ₹ 13.06 millions (March 31, 2019- ₹ 10.56 millions)} | - | - | 507.40 | 499.84 | - | - |
| Schneider Electric Industries SAS, France {Provision for doubtful trade receivables amounting to ₹ 0.48 millions (March 31, 2019- ₹ Nil)} | 17.98 | 41.84 | - | - | - | - |
| Others {Provision for doubtful trade receivables amounting to ₹ 39.31 millions (March 31, 2019- ₹ 38.94 millions)} | - | - | 311.51 | 383.49 | - | - |
| **Total** | **17.98** | **41.84** | **818.91** | **883.33** | **-** | **-** |
| **OTHER FINANCIAL ASSET** | | | | | | |
| Schneider Electric France SAS | - | - | 8.55 | 9.33 | - | - |
| Schneider Electric Infrastructure Limited Emp Group Gratuity Assurance Scheme | - | - | 35.93 | - | - | - |
| **Total** | **-** | **-** | **44.48** | **9.33** | **-** | **-** |

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 relevent rules issued thereunder, are not applicable.

The secondary segment by geographical location is given below :

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| A Segment Revenue | | |
| Within India | 12,451.96 | 12,412.58 |
| Outside India | 1,392.14 | 1,490.56 |
| | **13,844.10** | **13,903.14** |

**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:

(₹ in Millions)

| | | Carrying Value | | Fair Value | |
|---|---|---|---|---|---|
| **Financial instruments by category** | **Reference** | **As at March 31, 2020** | **As at March 31, 2019** | **As at March 31, 2020** | **As at March 31, 2019** |
| **Financial assets at amortised cost** | | | | | |
| Trade Receivables (non-current) | Note-5 | 46.30 | 17.28 | 46.30 | 17.28 |
| Other Financial assets (non-current) | Note-5 | 15.94 | 19.51 | 15.94 | 19.51 |
| Trade Receivables (current) | Note-8 | 4,210.96 | 4,137.46 | 4,210.96 | 4,137.46 |
| Cash and other bank balances (current) | Note-8 | 133.29 | 184.47 | 133.29 | 184.47 |
| Other Financial assets (current) | Note-8 | 117.85 | 12.64 | 117.85 | 12.64 |
| | | **4,524.34** | **4,371.36** | **4,524.34** | **4,371.36** |
| **Financial Liabilities at amortised cost** | | | | | |
| Borrowings (non-current) | Note-11 | 3,623.76 | 1,159.72 | 3,623.76 | 1,159.72 |
| Lease liabilities (non-current) | Note-32 | 103.09 | - | 103.09 | - |
| Borrowings (current) | Note-14 | 1,154.92 | 3,362.36 | 1,154.92 | 3,362.36 |
| Lease liabilities (current) | Note-32 | 16.11 | - | 16.11 | - |
| Trade Payables (current) | Note-14 | 4,457.43 | 4,720.49 | 4,457.43 | 4,720.49 |
| Other financial liabilities (current) | Note-14 | 117.83 | 178.14 | 117.83 | 178.14 |
| | | **9,473.14** | **9,420.71** | **9,473.14** | **9,420.71** |

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 2020 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.

**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, 2020**

(₹ in Millions)

| | Carrying Value as at March 31, 2020 | Fair Value as at March 31, 2020 | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Assets carried at amortised cost for which fair value are disclosed** | | | | |
| Trade Receivables (non-current) | 46.30 | - | - | 46.30 |
| Other Financial assets (non-current) | 15.94 | - | - | 15.94 |
| Trade Receivables (current) | 4,210.96 | - | - | 4,210.96 |
| Cash and other bank balances (current) | 133.29 | - | - | 133.29 |
| Other Financial assets (current) | 117.85 | - | - | 117.85 |
| **Liabilities carried at amortised cost for which fair value are disclosed** | | | | |
| Borrowings (non-current) | 3,623.76 | - | - | 3,623.76 |
| Lease liabilities (non-current) | 103.09 | - | - | 103.09 |
| Borrowings (current) | 1,154.92 | - | - | 1,154.92 |
| Lease liabilities (current) | 16.11 | - | - | 16.11 |
| Trade Payables | 4,457.43 | - | - | 4,457.43 |
| Other financial liabilities (current) | 117.83 | - | - | 117.83 |

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2019**

(₹ in Millions)

| | 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 | - | - | 4,137.46 |
| Cash and other bank balances (current) | 184.47 | - | - | 184.47 |
| 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 |
| Lease liabilities (non-current) | - | - | - | - |
| Borrowings (current) | 3,362.36 | - | - | 3,362.36 |
| Lease liabilities (current) | - | | | - |
| Trade Payables | 4,720.49 | - | - | 4,720.49 |
| Other financial liabilities (current) | 178.14 | - | - | 178.14 |

## 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 analysis in the following sections relate to the position as at March 31 2020. 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, 2020.

**(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:

**a. Forward covers outstanding**

(₹ in Millions)

| | | | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|---|---|
| | Purpose | Currency | Foreign Currency | Indian ₹ | Foreign Currency | Indian ₹ |
| Buy | To hedge Import purchases | USD | - | - | 2.52 | 176.96 |
| Buy | To hedge Import purchases | EUR | 6.24 | 520.25 | 10.04 | 851.26 |

**b. Particulars of unhedged foreign currency exposure**

(₹ in Millions)

| | | As at March 31, 2020 | | Gain/ (loss) Impact on profit before tax and equity | |
|---|---|---|---|---|---|
| | Currency | Foreign Currency | Indian ₹ | 1% Increase | 1% Decrease |
| Trade Receivables | USD | 3.49 | 263.83 | 2.64 | (2.64) |
| | EUR | 1.16 | 95.93 | 0.96 | (0.96) |
| | Others | 0.14 | 9.45 | 0.09 | (0.09) |
| Trade Payables | USD | 11.18 | 846.22 | (8.46) | 8.46 |
| | EUR | 4.34 | 358.96 | (3.59) | 3.59 |
| | Others | 0.84 | 10.60 | (0.11) | 0.11 |
| Borrowings | USD | - | - | - | - |
| Balance in EEFC account | EUR | 0.44 | 36.38 | 0.36 | (0.36) |
| | USD | 1.25 | 94.83 | 0.95 | (0.95) |

(₹ in Millions)

| | | As at March 31, 2019 | | Gain/ (loss) Impact on profit before tax and equity | |
|---|---|---|---|---|---|
| | Currency | Foreign Currency | Indian ₹ | 1% Increase | 1% Decrease |
| 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) |

**(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, 2020 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 2020 and 31 March 2019 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.

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL) | | |
| Cash and other bank balances | 133.29 | 184.47 |
| Others Non-Current financial assets | 15.94 | 19.51 |
| Others Current financial assets | 117.85 | 12.64 |
| | **267.08** | **216.62** |
| Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL) | | |
| Trade Receivables | 4,257.26 | 4,154.74 |
| | **4,257.26** | **4,154.74** |

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:

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| At the beginning of year | 1,060.94 | 2,418.86 |
| Impairment allowance created during the year | 27.05 | (240.74) |
| Bad debts written off during the year | (211.86) | (1,117.18) |
| **At the end of year** | **876.13** | **1,060.94** |

**(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.

(₹ in Millions)

| As at March 31, 2020 | Less than 1 year | More than 1 year | Total |
|---|---|---|---|
| Borrowings | 1,171.04 | 4,849.54 | **6,020.58** |
| Trade payables | 4,457.44 | - | **4,457.44** |
| Other current financial liabilities | 117.83 | - | **117.83** |
| **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** |

## 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, 2020 and March 31, 2019.

**The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.**

(₹ in Millions)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Long Term Borrowings | 3,623.76 | 1,159.72 |
| Lease liabilities (non-current) | 103.09 | - |
| Short Term Borrowings | 1,154.92 | 3,362.36 |
| Lease liabilities (current) | 16.11 | - |
| Cash and other bank balances | (133.29) | (184.47) |
| **Net Debt** | **4,764.59** | **4,337.61** |
| Equity | 14.07 | 233.91 |
| **Total Capital** | **14.07** | **233.91** |
| Capital and Net Debt | 4,778.66 | 4,571.52 |
| **Gearing ratio (Net Debt/Capital and Net Debt)** | **99.71%** | **94.88%** |

## 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:

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Type of goods | | |
| Sale of Product and systems for electricity distribution | 13,809.31 | 13,840.56 |
| **Total revenue from contracts with customers** | **13,809.31** | **13,840.56** |
| India | 12,417.17 | 12,350.00 |
| Outside India | 1,392.14 | 1,490.56 |
| **Total revenue from contracts with customers** | **13,809.31** | **13,840.56** |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 12,211.98 | 12,506.38 |
| Over a period of time | 1,597.33 | 1,334.18 |
| **Total revenue from contracts with customers** | **13,809.31** | **13,840.56** |

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Revenue as per segment note 35 | 13,844.10 | 13,903.14 |
| Less: Export incentives | 34.79 | 62.58 |
| **Total revenue from contracts with customers** | **13,809.31** | **13,840.56** |

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

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Revenue as per contracted price | 13,835.98 | 13,887.54 |
| Adjustments | | |
| Discount | (8.12) | (15.60) |
| **Total revenue from contracts with customers** | **13,844.10** | **13,903.14** |

**39.2 Contract balances**

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Trade receivables (net) | 4,257.26 | 4,154.74 |
| Contract assets | 80.48 | 20.36 |
| Contract liabilities (advance from customers and advance billing) | 623.13 | 689.97 |

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. Contract liabilities include advances received from customers and advance billing.

**39.3 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2020 are, as follows:**

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Advances from customers and advance billing** | **623.13** | **689.97** |

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 The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 is significantly impacting business operation of the company, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. The Company's business activities fall under essential services category and therefore could be continued to an extent during the lockdown. The Company has assessed the recoverability and carrying values of its assets comprising property, plant and equipment; intangible assets; trade receivables, inventories and other assets as at the balance sheet date using various internal and external information up to the date of approval of these financial statements. The Company has assessed the impact of this pandemic on its business operations and has made detailed assessment of its liquidity position for future years. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered and no material adjustment required in the financial statements. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Company's business operations. The Company will continue to closely monitor any material changes to future economic conditions.

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, 2020 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, 2020 and will be effective in the financial statements for the year ended 31 March, 2021. However, in the opinion of the Company's management, adjustments, if any, are not expected to be material.

## 42 ASSETS CLASSIFIED HELD FOR SALE

In previous year, the Company in its board meeting decided to sell a part of Plant and Machinery which was originally acquired to manufacture the brakers at Vadodra location and which was not used by the company for its operations. In current year, the same has been sold off.

(₹ in Millions)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Plant and Machinery including capital work in progress** | **-** | **44.42** |

43 During the year, the Company has incurred loss of ₹ 392.24 million, which has aggregated total accumulated losses of ₹ 3,587.10 million as at March 31, 2020 and has resulted in substantial erosion of Company's net worth. Though all these factors lead to material uncertainty on Company's assumption to continue on going concern basis, however management believes that there are sufficient mitigating factors for e.g. future cash flow projections, availability of working capital facilities and also borrowings of the Company are from group company which may be deferred depending upon Company's liquidity position. Basis this, the management believes that the Company is expected to have sufficient cash flows to meet its obligations for next twelve months and does not anticipate that it will not be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements have been prepared on going concern basis.

44 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 ₹ 10,000/-.

45 The comparative figures have been regrouped/ rearranged wherever considered necessary to make them comparable with current year numbers.

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: New Delhi
Date: June 16, 2020

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**
Whole-Time Director &
Chief Financial Officer
DIN: 02522674

**Bhumika Sood**
Company Secretary
ACS: 19326

Place: Gurugram
Date: June 16, 2020

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www.schneider-infra.in

**SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED**
9th & 10th Floor, DLF Building No-10, Tower-C,
DLF Cyber City, Phase-II,
Gurugram - 122 002, INDIA
Tel.: +91 (0) 124-715 2300
Fax.: +91 (0) 124-422 2036
http://www.schneider-infra.in

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Notice of

# Schneider Electric Infrastructure Limited

10th Annual General Meeting 2020

www.schneider-infra.in

# 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; E-mail: company.secretary@schneider-electric.com

**NOTICE** is hereby given that the Tenth (10th) Annual General Meeting ("**AGM/Meeting"**) of the Members of Schneider Electric Infrastructure Limited ("**Company**") will be held on Tuesday, 8th day of the September 2020 at 3:30 p.m. IST through Video Conferencing ("**VC**") / Other Audio-Visual Means ("**OAVM**") 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, 2020 including audited Balance Sheet as at March 31, 2020, 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, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2020 including audited Balance Sheet as at March 31, 2020, 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 Director in place of Ms. Bidisha Nagaraj (DIN: 08080159), who retires by rotation and, being eligible, offers herself for re-appointment and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provision of Section 152 of the Companies Act, 2013, Ms. Bidisha Nagaraj (DIN: 08080159), who retires by rotation at this meeting; being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation."

3. To appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of Fifteenth (15th) Annual General Meeting and to fix their remuneration, and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all 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 thereof, for the time being in force and subject to all the applicable laws and regulations, including but not limited to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, M/s. S N Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N/ N500045) be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. S.R. Batliboi & Co. LLP (Firm Registration No. 301003E/ E300005), for a term of five (5) years from the conclusion of this Annual General Meeting till the conclusion of Fifteenth (15th) Annual General Meeting of the Company at the remuneration and out of pocket expenses to be fixed by the Audit Committee and/or Board of Directors of the Company."

**SPECIAL BUSINESS**

4. To consider the appointment of Ms. Namrata Kaul (DIN: 00994532) as an Independent Director of the Company and, in this regard, if thought fit, to 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 ("the Listing Regulations"), Ms. Namrata Kaul (DIN: 00994532) 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 November 06, 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 the Listing Regulations, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a term of three (3) consecutive years with effect from November 06, 2019 till November 5, 2022, not liable to retire by rotation."

5. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 and, in this regard, if thought fit, to 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 ₹ 4,50,000 (Rupees Four Lakhs Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses, for the financial year ending March 31, 2021 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 the appointment Mr. Arnab Roy (DIN: 02522674) as the Whole-Time Director of the Company in Professional capacity and in this regard, if thought fit, to 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(s), thereof, for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the provisions of the Articles of Association of the Company, Mr. Arnab Roy (DIN: 02522674), 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 June 16, 2020, 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(s) 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. Arnab Roy (DIN: 02522674), as a Whole-Time Director in Professional capacity for a term of three (3) consecutive years effective from June 16, 2020 to June 15, 2023 on the terms and conditions of appointment and remuneration as contained in the draft agreement, material terms of which are set out in the statement under Section 102 of the Act, attached to this notice.

. **RESOLVED FURTHER THAT** the Board of Directors on the recommendation of the Nomination & Remuneration Committee, be and is hereby authorised to alter and vary, from time to time, during the tenure of appointment of Mr. Arnab Roy, the terms and conditions of appointment and/or remuneration as per the Company policy for annual assessments and increments."

By Order of the Board of Directors
**For Schneider Electric Infrastructure Limited**

**Bhumika Sood**
**Company Secretary & Compliance Officer**
ACS 19326

Date: June 16, 2020
Place: Gurugram

**Regd. Office:** Milestone 87,
Vadodara-Halol Highway,
Village Kotambi, Post Office Jarod,
Vadodara 391 510, Gujarat

**Notes:**

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 3 to 6 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on June 16, 2020 considered that the special business

under Item Nos. 4 to 6, being considered unavoidable, be transacted at the 10th Annual General Meeting ("10th AGM") of the Company.

**2. GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 10th AGM THROUGH VC/ OAVM FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING**

a. In view of the current extraordinary circumstances due to the massive outbreak of COVID-19 pandemic prevailing in the country requiring social distancing, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars"), and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI Circular") permitted the holding of the Annual General Meetings through Video Conferencing/ Other Audio-Visual Means (VC/OAVC), without the physical presence of the Members at a common venue.

Accordingly, this 10th AGM is being convened electronically through VC/OAVC in compliance with applicable provisions of the Act read with relevant rules issued thereunder, Securities & Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 ("the Listing Regulations"), MCA Circulars and SEBI Circular and hence, Members can attend and participate in 10th AGM through VC/ OAVC facility being provided by the Company.

b. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 10th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 10th AGM through VC/OAVM Facility and e-Voting during the 10th AGM.

c. Members attending the 10th AGM electronically through VC/OAVC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

d. The deemed venue for the 10th AGM shall be the Registered Office of the Company at Milestone-87, Vadodara - Halol Highway, Village Kotambi, Post Office Jarod, Vadodara-391510, Gujarat.

e. KFin Technologies Private Limited ("KFintech") will be providing facility for voting through remote e-Voting and for participation in the 10th AGM through VC/OAVM Facility and e-Voting during the 10th AGM.

f. The 10th AGM conducted through VC/OAVM allows two-way teleconferencing for the ease of participation of the Members. Members may join the 10th AGM through VC/OAVM facility by following the procedure as mentioned below which shall be kept open for the Members from 3:00 p.m. IST i.e. 30 minutes before the time scheduled to start the 10th AGM on, Tuesday, September 8, 2020.

g. Members may note that the VC/OAVM Facility, provided by KFintech, allows participation of atleast 1,000 Members on a first-come-first-serve basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 10th AGM without any restriction on account of first-come-first-serve principle.

h. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 10th AGM and facility for those Members participating in the 10th AGM to cast vote through e-Voting system during the 10th AGM.

i. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the 10th AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to all the Members who have registered their email ids with the Company/Depository Participants (DPs)/ Company's Registrars and Share Transfer Agents and whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on Friday, August 7, 2020, i.e. the Record Date fixed by the Company for the purpose of sending the Notice of the 10th AGM and Annual Report 2019-2020 to the Members of the Company.

In line with the MCA Circulars and SEBI Circular, the Members may note that the Notice and Annual Report 2019-2020 will also be available on the Company's website at www.schneider-infra.in, websites of the Stock Exchanges i.e. the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com respectively, and on the website of KFintech, i.e. http://evoting.karvy.com.

j. Since the 10th AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.

**3. PROCESS FOR THOSE MEMBERS WHOSE EMAIL IDS ARE NOT REGISTERED FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF EMAIL IDS FOR E-VOTING ON THE RESOLUTIONS SET OUT IN THIS NOTICE:**

a. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 10th AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; and ii) self-attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company at company.secretary@schneider-electric.com or Registrar & Share Transfer Agent, M/s. CB Management Services (P) Limited (RTA) at subhabrata@cbmsl.co.

b. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) self-attested scanned copy of client master or Consolidated Demat Account statement; and (iii) self-attested scanned copy of the PAN Card, to the email address of the company.secretary@schneider-electric.com or Registrar & Share Transfer Agent, M/s. CB Management Services (P) Limited (RTA) at subhabrata@cbmsl.co.

**4. INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE 10TH AGM ARE AS UNDER:**

a. Upon declaration by the Chairman about the commencement of e-voting at 10th AGM, Members shall click on the thumb sign on the left bottom corner of the video screen for voting at the 10th AGM, which will take them to the "Instapoll' page.

b. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

c. Only those Members, who will be present in the 10th AGM through VC/OAVM Facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 10th AGM.

d. The Members who have cast their vote by remote e-Voting prior to the 10th AGM may also participate in the 10th AGM through VC/ OAVM facility but shall not be entitled to cast their vote again.

e. Members who need technical assistance before or during the 10th AGM, can contact KFintech at evoting@karvy.com or helpline at 1800 345 4001 (toll free).

**5. INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE 10TH AGM THROUGH VC/OAVM ARE AS UNDER:**

a. Members will be provided with a facility to attend the 10th AGM through video conferencing platform provided by KFintech. Members may access the same at **https://emeetings.kfintech.com** and click on the "video conference" and access the shareholders/members login by using the remote e-voting credentials. The link for 10th AGM will be available in shareholder/members login where the EVENT and the name of the Company can be selected.

b. Please note that the Members who have forgotten the User ID and Password may retrieve the same by clicking on forgot Password option and create new password.

c. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

d. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the Meeting.

e. Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

f. Members, who would like to ask questions/ express their views with regard to the financial statements or any other matter to be placed at the 10th AGM, during the 10th AGM will have to visit https://emeetings.kfintech.com/ and click on **"Post your Questions"** or register themselves as Speaker by clicking on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The Speaker Registration or the option for posting the questions shall be available from Saturday, September 5, 2020 from 9 a.m. (IST) till Monday, September 7, 2020 upto 5 p.m. (IST). The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the Meeting.

g. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 10th AGM through VC/OAVM Facility.

**6. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

a. The remote e-Voting period will be available during the following period:

| | |
|---|---|
| Commencement of remote e-Voting | From 9:00 a.m. (IST) on Saturday, September 5, 2020 |
| End of remote e-Voting | Upto 5:00 p.m. (IST) on Monday, September 7, 2020 |

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFintech upon expiry of aforesaid period. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

b. Members whose name appear in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on **Wednesday, September 2, 2020, i.e. the "Cut-off Date"** shall only be entitled to avail the facility of remote e-Voting and e-Voting at the 10th AGM. Any person who is not a Member on the Cut-off Date should treat the notice for information purposes only.

c. The details of the **process and manner for remote e-Voting** are explained herein below:

i. Initial password is provided in the body of the email.

ii. Launch internet browser and type the URL: https://evoting.karvy.com in the address bar.

iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFintech for e-Voting, you can use your existing User ID and password for casting your votes.

iv. After entering the details appropriately, click on LOGIN.

v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the EVENT i.e. Schneider Electric Infrastructure Limited.

viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/ are authorised to vote, to the Scrutiniser through email at nazim@mnkassociates.com with a copy marked to evoting@karvy.com and may also upload the same in the e-voting module in their login.

xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.karvy.com or call KFintech on 1800 345 4001 (toll free).

**7. OTHER INFORMATION/ GUIDELINES FOR MEMBERS**

a. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the **Cut-off Date**.

b. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Notice of 10th AGM and hold shares as of the **Cut-off Date** can obtain the login ID and password by sending a request at evoting@karvy.com or company.secretary@scheneider-electric.com. However, if you are already registered with KFintech for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

c. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **Cut-off Date** only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.

d. Mohd Nazim Khan, Designated Partner of MNK and Associates LLP, Practicing Company Secretary, (FCS No. 6529 and CP No. 8245) has been appointed as the Scrutiniser to scrutinise the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

e. During the 10th AGM, the Chairman shall, after responding to the questions raised by the Members in advance or as a speaker at the10th AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 10th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 10th AGM.

f. The Scrutiniser shall after the conclusion of e-Voting at the 10th AGM, first download the votes cast at the 10th AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutiniser's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not and such Report shall then be sent to the Chairman or a person authorised by him, within forty eight (48) hours from the conclusion of the 10th AGM, who shall then countersign and declare the Result of the voting forthwith.

g. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company at www.schneider-infra.in and on the website of KFintech at https://evoting.karvy.com/ immediately after the declaration of Results by the Chairman or a person authorised by him. The Results shall also be immediately forwarded to the BSE and NSE.

8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 2, 2020 to Tuesday, September 8, 2020 (both days inclusive).

9. Relevant documents referred to in the Notice along with the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act, are open for inspection by the Members electronically and shall remain open for inspection at the 10th AGM.

10. The relevant information regarding particulars of Directors seeking appointment/re-appointment requiring disclosure, in terms of Regulation 36 of the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India [SS-2] are annexed as **Annexure-I**

to this Notice. The Company has received the requisite consents / declarations for their appointments / re-appointments under the Act and the rules thereunder.

Statement of additional details as required under Schedule V Part II Section II of the Act is attached as **Annexure- II** of this Notice.

11. 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.

12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.

13. 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.

14. 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 and requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's RTA for assistance in this regard.

15. **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 writing to the Company except wherein the shareholding is in demat it may be sent to the respective DP.

**GENERAL REQUEST**

- At regular intervals verify the address and bank details updated with RTA or DP and intimate the changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., 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.

16. In this Notice and the statement of material facts, the term "shareholder(s)" and "member(s)" and the term "AGM" and "Meeting" are used interchangeably.

17. For any queries regarding the matters set out in the Notice or any other investor related queries, the Members may write to Company Secretary at company.secretary@schneider-electric.com.

18. In adherence to the provisions of Section 125 of the Act, read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 the ("IEPF Rules"), the shares on which dividends have not been claimed and unclaimed dividend, for 7 (seven) consecutive years have been transferred in favor of IEPF Authority, during the financial year 2019-2020.

    The details of the unclaimed dividends and shares transferred to IEPF during the year 2019-2020 are as follows:

| Financial Year | Amount of unclaimed dividend transferred (in ₹) | Number of unclaimed shares transferred |
|---|---|---|
| 2011-12 | 843,224 | 1,460,797 |
| **Total** | **843,224** | **1,460,797** |

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 [THE ACT]**

The following Statement sets out all material facts relating to the Business(es) mentioned in the Notice:

**ITEM NO. 3**

M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), were appointed as Statutory Auditors of the Company since inception. After commencement of the Companies Act, 2013 ("the Act"), M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors by the members in the fifth (5th) Annual General Meeting (AGM) held on August 11, 2015 to hold office for a period of five (5) years upto the conclusion of 10th AGM and accordingly, they would retire at the conclusion of this AGM.

Since, M/s. S.R. Batliboi & Co. LLP, has completed two terms of five (5) consecutive years, in terms of Section 139(2) of the Act read with the Companies (Audit and Auditors) Rules, 2014, they are not eligible for re-appointment.

Accordingly, as per the said requirements of the Act, the Board of Directors at its meeting held on June 16, 2020, after considering the recommendations of the Audit Committee, had recommended the appointment of M/s. S N Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N/ N500045) as Statutory Auditors of the Company, for a period of five (5) years, commencing from the conclusion of 10th AGM till the conclusion of the 15th AGM, for approval of the members.

M/s. S N Dhawan & Co. LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Section 139 and Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Audit Committee and the Board considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s. S N Dhawan & Co. LLP, Chartered Accountants to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

In compliance of Regulation 36 of the Listing Regulations as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. April 1, 2019 the following additional disclosure is being made for reference and information of the members:

**(a) Proposed fees payable to the statutory auditor(s) along with terms of appointment along with the rationale for such change**

**Proposed fee:** Fee proposed to be paid to new auditor is approx. ₹ 9.5 million per financial year payable (subject to annual increments, as may be mutually agreed by the Board and Statutory Auditors) in one or more instalments plus applicable taxes, travelling and other out-of-pocket expenses incurred by them for the following services in scope of engagement:

1. Statutory audit of annual financial statements of the Company as per the Act.

2. The quarterly limited review opinions as per the Listing Regulations.

3. The audit opinion on the Internal Financial Controls over financial reporting.

4. Group reporting for the year ending December 31, 2020 and period ending June 30, 2021.

5. Tax audit under the Income Tax Act, 1961.

The fee agreed for the retiring auditors was ₹ 13 million.

The amount of remuneration has been revised having regard to the continuous engagement of the firm with Schneider group across the globe. Also, the firm has obtained greater comfort in recent past over the internal controls designed & operating at Schneider group.

**Term of Appointment:** Five (5) years from the conclusion of 10th AGM till the conclusion of 15th AGM for FY 2024-2025.

**(b) Basis for appointment of S.N. Dhawan & Co LLP as Statutory Auditors**

Established in 1940, M/s S.N. Dhawan & Co LLP is one of the largest Chartered Accountant firms in India having in-depth experience in sectors including Manufacturing, Education, Retail, FMCG, Construction Infrastructure, IT and ITES etc. S.N. Dhawan & Co LLP is a member firm of Mazars & delivers assurance services in India.

Mazars is an internationally integrated partnership, specialising in audit, tax and advisory services. Operating in 91 countries and territories around the world, they draw on the expertise of more than 40,000 professionals. Mazars has been one of the joint-auditors of the Schneider group; in India S.N. Dhawan & Co LLP has been the statutory auditors of group company viz. Schneider Electric India Private Limited since 2018.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out under Item No. 3 of the Notice for approval by the shareholders.

**ITEM NO. 4**

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company have appointed Ms. Namrata Kaul (DIN: 00994532) as an Additional Director in the capacity of Non-Executive Independent Director of the Company to hold office for a term of three (3) consecutive years with effect from November 6, 2019, not liable to retire by rotation, subject to consent of the Members of the Company at 10th AGM.

As an Additional Director, Ms. Kaul holds office till the date of 10th AGM and is eligible for being appointed as an Independent Director. The Company has received necessary declaration(s) from Ms. Kaul confirming that she meets the criteria as prescribed under the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 ("the Listing Regulations").

Ms. Kaul is not disqualified from being appointed as a Director under provisions of Section 164 of the Act, nor debarred from holding the office of director by virtue of any Securities Exchange Board of India order or any other such authority and has given her consent to act as a Director of the Company.

Ms. Kaul is having vast experience in banking and finance and has worked in various roles and capacities across Treasury, Corporate Banking, Debt Capital Markets, and Corporate Finance in India and United Kingdom. Your Board believes that given the knowledge, experience and performance of Ms. Kaul, her induction on the Board will be in the interest of the Company and will support in broadening the overall expertise of the Board.

Details pursuant to Regulation 36 of the 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. Kaul, 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. 4 of the accompanying Notice of the AGM.

Copy of the draft letter for appointment of Ms. Kaul as a Non-Executive Independent Director setting out the terms

and conditions is available for inspection by the Members electronically and shall remain open for inspection at the 10th AGM.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the Members.

**ITEM NO. 5**

On the recommendation of Audit Committee, the Board of Directors at their Meeting held on June 16, 2020 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 for Financial Year 2020-2021 at a remuneration of ₹ 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 10th AGM for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

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 10th AGM for approval of the Members.

**ITEM NO. 6**

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee at their meeting held on June 16, 2020 appointed Mr. Arnab Roy (DIN: 02522674) as Additional Director, designated as Whole-Time Director, in professional capacity for a term of three (3) years with effect from June 16, 2020.

Broad particulars of the terms of appointment and remuneration payable to Mr. Arnab Roy are as under:

**(a) Salary, Perquisites and Allowances per annum: (in ₹)**

| | |
|---|---|
| Salary | 1,38,66,666/- |
| Additional Benefits Viz. Medical Reimbursement; Leave; Personal Accident/Mediclaim Policy etc. | 3,500/- |
| Target Short Term Incentive Plan (STIP) | 34,66,667/- |
| 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. Arnab Roy, as may be determined by the Board and / or the Nomination & Remuneration Committee 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. Arnab Roy, 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 Terms of Appointment:**

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.

i. 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 Companies Act, 2013 ("the Act") with regard to duties of directors.

ii. The Whole-Time Director shall adhere to the Company's Principles of Responsibility - Code of Conduct.

iii. 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 Act, (including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of Mr. Arnab Roy requires approval of the Members by way of Special Resolution.

Mr. Roy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent for his appointment as Director of the Company. Mr. Roy also confirmed that he is not debarred from holding the office of Director pursuant to any Securities & Exchange Board of India (SEBI) order.

In terms of Section 160 of the Act, the Company has received notice in writing from a member proposing the candidature of Mr. Roy for appointment.

In case of a managerial person who is functioning in a professional capacity, the remuneration can be paid as per Schedule V, 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 specialised knowledge in the field in which the company operates.

Mr. Arnab Roy fulfils these conditions.

The terms as set out in the Resolution and statement under Section 102 of the Act may be treated as an abstract of the terms of appointment pursuant to Section 190 of the Act.

Details pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard-II 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 the Act is attached as **Annexure- II**.

Save and except Mr. Arnab Roy, 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. 6.

Copy of the Resolution and statement setting out the terms and conditions of Mr. Roy's appointment would be available for inspection by the Members electronically and shall remain open for inspection at the 10th AGM.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 6 of the Notice of 10th AGM for the 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: June 16, 2020
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 Director(s) seeking appointment/ re-appointment at this 10th 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 issued by the Institute of Company Secretaries of India, as on the date of Notice.

| **Name of Directors/ Particulars** | **Bidisha Nagaraj** | **Namrata Kaul** | **Arnab Roy** |
|---|---|---|---|
| Director Identification Number (DIN) | 08080159 | 00994532 | 02522674 |
| Date of Birth (Age in years) | June 9, 1967 (53 years) | March 15, 1964 (56 years) | August 28, 1973 (46 years) |
| Date of Appointment | March 7, 2018 | November 6, 2019 | June 16, 2020 |
| Expertise in specific functional Areas | Marketing & Advertising strategies, Product and Segment Development. Information Technology and Energy management | Treasury, Corporate Banking, Debt Capital markets, Corporate Finance, Corporate Risk Managing, Credit, Regulatory Compliances, Building and managing large teams, Communication, Diversity and Development sector experience | Finance, Accounts, Tax, Operations, Supply Chain, Human Resources and Information Technology |
| Qualifications | Post Graduate in Mass Communication | Bachelor of Commerce from Lady Shri Ram College, Delhi University; Management Postgraduate from IIM Ahmedabad; Chevening scholar from London School of Economics. | Economics Graduate and a Professional Accountant by qualification. Executive MBA from IIM-Bangalore. Certified Black Belt in Six Sigma from GE. |
| Experience | 28 Years | 30 Years | 23 years |
| Terms and Conditions of Appointment/ Reappointment | As detailed in the respective resolutions and statement under Section 102 of the Act. | | |
| Remuneration sought to be paid/ last drawn | As detailed in the respective resolutions, statement under Section 102 of the Act and in Corporate Governance Report. | | |
| Number of Meetings of Board attended during the year | As mentioned in Corporate Governance Report. | | |

| Name of Directors/ Particulars | Bidisha Nagaraj | Namrata Kaul | Arnab Roy |
|---|---|---|---|
| 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 | None | 1. Prime Securities Limited<br>2. Fusion Micro Finance Private Limited<br>3. Vivriti Capital Private Limited<br>4. Vivriti Asset Management Private Limited<br>5. Bhopal Smart City Development Corporation Limited<br>6. Prime Research & Advisory Ltd<br>7. Synergetics Management and Engineering Consultants Private Limited<br>8. Care India Solutions for Sustainable Development | None |
| Membership/ Chairmanship of Committees in other companies in India | None | **1. Prime Securities Limited**<br>• Audit Committee<br>• Stakeholders Relationship Committee<br>• Nomination & Remuneration Committee<br>• Risk Management Committee<br>• Corporate Social Responsibility Committee<br>**2. Vivriti Capital Private Limited**<br>• Audit Committee<br>**3. Care India Solutions for Sustainable Development**<br>• Audit Committee | None |

By Order of the Board of Directors
**For Schneider Electric Infrastructure Limited**

**Bhumika Sood**
**Company Secretary & Compliance Officer**
ACS 19326

Date: June 16, 2020
Place: Gurugram

**Regd. Office:** Milestone 87,
Vadodara-Halol Highway,
Village Kotambi, Post Office Jarod,
Vadodara 391 510, Gujarat

**Annexure II to the Notice**

Statement of additional information 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. The Company was incorporated on March 12, 2011.

**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, 2020:**

| Particulars | Financial Year 2019-2020 (Amt in ₹ million) |
|---|---|
| Sales and Services (Net) | 13,844 |
| EBITDA | 390 |
| (As percentage of net sales) | 2.82% |
| Depreciation | 218 |
| EBIT | 172 |
| Interest, net | 481 |
| Restructuring | (14) |
| Profit after tax (as per financials) | (296) |

**5. Foreign investments or collaborations, if any:**

The details of Foreign Promoter Holding as on March 31, 2020 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 | Arnab Roy |
|---|---|---|
| 1 | Brief Resume of Director and nature of his expertise in specific functional areas | Mr. Arnab Roy is associated with the Company since March 2017 as the Chief Financial Officer (CFO). Mr. Roy holds aggregate professional experience of 23 years primarily with US, British and French MNC's handling Finance, Accounts, Tax, Operations, Supply Chain, HR, IT, Administration & Regulatory Issues.<br><br>Mr. Roy has worked as CFO & Head of Operations for last 14 years with U.S. and European MNC's & member of country and APAC leadership team. He has done 5 P&L CFO roles over this period with organizations like Schneider, GE, Tyco Healthcare, G4S and Herbalife.<br><br>Prior to the CFO role he worked as Controller for four (4) years with US MNC handling entire Finance & Accounts.<br><br>Prior to Schneider, he was CFO – South Asia of G4S Plc, a UK based company and Finance Transformation Director with a global responsibility reporting to the Group CFO for this responsibility.<br><br>In his previous experiences, he has worked with GE as Supply Chain CFO covering the manufacturing and sourcing portfolio of GE for all business with a P&L span of 2.2 Bn USD; with Tyco Healthcare as CFO and Director Operations with a South Asia responsibility; with Herbalife and Timken, a Tata Group Company.<br><br>Mr. Roy is an Economics Graduate and a Professional Accountant by qualification. He has also done an Executive MBA from IIM-Bangalore. He is also a certified Black Belt in Six Sigma from GE.<br><br>Mr. Roy has also held Board positions in Tyco Healthcare and G4S India. |
| 2 | Past Remuneration (2018-19) | Mr. Arnab Roy was the designated Chief Financial Officer of the Company and was drawing renumeration in the said capacity. There is no incremental pay on account of being appoint as Whole-Time Diirector. |
| 3 | Recognition or Awards | Nil |
| 4 | Job profile and suitability | Director- Sales |
| 5 | Remuneration proposed (2019-2020) | As detailed in Item No. 6 of the Statement under Section 102 of the Act |

**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 type of industry, trends in the industry, size of the Company, the responsibilities, academic background and capabilities of Mr. Arnab Roy, the Company believes that, the remuneration proposed to be paid is appropriate and commensurate with the remuneration packages paid to similar senior level appointees in other companies.

Further, Mr. Arnab Roy 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. He is working with the Company in a professional capacity.

## III. Other Information

**1. Reason for loss or inadequate profits**

Year 2019-2020 was a year when we moved forward with execution of our strategy. The Company was able to maintain a good momentum on order intake this year. Operationally the year was in the direction of Company's plan and projection but got impacted due to two significant abnormal events:

1) Flood in Vadodara in end July 2019: Companies operations were impacted for around a month due to this devastation in the plant; and

2) Covid19 Impact in February/March' 2020: The Company started seeing the impact of Covid19 since mid-February' 2020 and miss significant sale which could not be executed due to the nationwide lock down.

Excluding these two force majeure events the Company would have ended up in a year of profit.

**2. Steps taken or proposed to be taken for improvement**

The Company has continued its optimisation efforts to reduce fixed costs by completing the plant restructuring phase 1 actions. The segment focus has been reinforced and specialised segment-based organisation has been put in place. The Go to Market with a combination of Direct and Coverage through Partners is being executed to increase reach and cover the right segment and customer with right channel.

**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 optimise its resources to minimise the fixed cost. Focus on Cash continues. Also, your Company continue to focus on advance solutions like containerised 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's Report under the heading "Corporate Governance", forming part of the Annual Report.

By Order of the Board of Directors
**For Schneider Electric Infrastructure Limited**

**Bhumika Sood**
**Company Secretary & Compliance Officer**
ACS 19326

Date: June 16, 2020
Place: Gurugram

**Regd. Office:** Milestone 87,
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