Life Is On | Schneider Electric

SEIL/Sec./SE/2026-27/40 **August 20, 2026**

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

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

Sub: Transcript of Earnings Conference Call on Unaudited Financial Results for 1st quarter ended June 30, 2026

Dear Sir(s)/ Madam,

In continuation of our letter no. **SEIL/Sec./SE/2026-27/29** dated **August 12, 2026,** regarding schedule of investor conference call, please find enclosed herewith the transcript of the conference call held on August 17, 2026, to discuss the unaudited Financial Results and earnings performance of 1st quarter ended June 30, 2026.

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

We request you to kindly take the above on record.

Thanking you.

Yours Sincerely,

For **Schneider Electric Infrastructure Limited**

SUMIT GOEL
Digitally signed by SUMIT GOEL
Date: 2026.08.20 11:49:28 +05'30'

(Sumit Goel)
Company Secretary & Compliance Officer

"Schneider Electric Infrastructure Limited Q1 FY27 Results and Business Update Call"

August 17, 2026

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

MODERATOR: **MR. HARSHIT KAPADIA – ELARA SECURITIES INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Schneider Electric Infrastructure Limited Q1 FY '27 Results and Business Update Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Harshit Kapadia from Elara Securities. Thank you, and over to you, sir.

Harshit Kapadia: Thank you, Huda. Good morning, everyone. On behalf of Elara Securities, we welcome you all for the Q1 FY '27 conference call of Schneider Electric Infrastructure Limited. I take this opportunity to welcome the management of Schneider Electric Infrastructure represented by Mr. Udai Singh, Managing Director and CEO; Mr. Omkar Prasad, Chief Financial Officer; and Mr. Mohit Agarwal, Head of Investor Relations. We will begin the call with a brief overview by management, followed by a Q&A session.

I'll now hand over the call to Mr. Singh for his opening remarks. Over to you, sir.

Udai Singh: Thank you, Harshit, and good morning to all who have joined. I just wanted to take you to the presentation, which we had shared last week and just wanted to take you along a few slides which we had shared. And I would take you to Page number 2, wherein we are so proud to share with you that we have been ranked as number 1 as the most sustainable companies in the world third year in a row. And this is something which actually we are extremely proud of and something which we very truly relate to being sustainable company. Now I would like you to take you through the next slide, which enumerates our vision and the mission.

And our vision, as you know, stays as that we will lead the new digitalized energy world, offering our customers and partners the most innovative connected products and solutions, which will be ready for the power distribution elevated expectations. And we do this by our balanced business models, superior quality and efficient supply chains, which will keep our growth and profitability resilient and sustainable.

What you would also notice at this point in time is that we have slightly modified our vision now and we say that we are your energy technology partner, through which we electrify, automate and digitalize every industry, business and home, driving efficiency and sustainability for all. Taking you to the next slide, which is Page 4 of your presentation, where we are seeing as to how the company has a macroeconomic outlook. And what we see is that India 2030 is inflecting on the new infrastructure cycle where the macro outlook is strong.

If you look at, there are 3 basic pillars which we have tried to capture for you. One is a GDP forecast itself, which is expected to be anywhere between 6.5% to 7% for next 4 years. And this is also being driven by 2 fundamental levers, which is the per capita GDP, which is -- which will grow, if not less, at least 1.5x by 2030 by taking it to about close to INR4 lakhs is something which we expect the GDP to be at per capita level in 2030.

And also a very positive for the company, which is the per capita electricity consumption, which is going to be typically anywhere between 1,800 kilowatt hour to 2,000 kilowatt hour by 2030.

This itself, just to give you a set of perspective, this was in 2014 was about 1,000 or less than 1,000 kilowatt hour.

At the same time, there are certain headwinds, which all of us are facing and so is our company is also facing is the devaluation of rupee, which has gone down. And also it's about 8% is where the rupee has depreciated since the time we started this year. And also the commodity prices, if you notice, has actually also been going up, copper, aluminum, steel and the labor which we use actually has been going up, and we are trying to see as to, how do we mitigate this.

We also would like to -- at the same breadth would like to speak about while there's a near-term volatility, which we see -- all of us are seeing, India long-term investment remains intact, which are primarily driven by 4 basic fundamental levers. One is electrification.

And when I say so, I am talking about these levers which are pertinent and relevant to the company. The basic electrification need where we see that the nonfossil fuel is going from, say, 300 to 500, that's the vision for the country, and we are going -- the nation is going great here. And what I would also like to call about typically one typical example is the energy storage systems, where today, it is about 13 gigawatt hour, which is expected to be 200 plus by 2030 is the number which we see.

Another topic, which I think all of us are very, very reading it every day is the data center and the AI and the digitalization which the nation is actually embarking on. Data center capacities, as you know, is going to grow up from 1.6 to about 8 gigawatts by 2030, if not more.

The e-com users, which the nation has been very, very vibrant about with the young population which we have, is going to be about 450 million by 2030. And the digital economy itself would contribute typically about 20% as we see it by 2030. Now these are the ones which will propel more and more data centers being put up, and I'm sure you must be reading many announcements which are coming in the news in recent times.

These are all supporting and getting driven by this wave, which we see here. Another element is the urbanization, wherein I'm talking about -- there's 2 things on the slide which you have is the EV penetration, which is expected to be about 30% and which is -- we are today at about 8-ish.

But if you read in the papers, you read the auto story, you'll find that this is something which is going to go up, and this will bring in a lot of things which has to be made for the nation by us in terms of setting up the EV infrastructure to support this EV momentum. The second is the Vande Bharat trains -- now why I speak about it?

Because today, we have about 160 trains, which are plying in the nation, where government has actually plans of making it about 800. And this becomes important for us because we power these trains by our circuit breakers, and that's what we make in Kolkata plant. Another and the last element being is the Make in India drive, which you heard the Honorable Prime Minister yesterday is the focus which has also been coming on the Make in India initiative.

And that's the reason why a lot of people will start manufacturing in India itself, which will open up capex requirements and where the company can perhaps do well in leveraging those conditions which are going to be there. And we are trying to see as to how all of us put together can make many things in India for not only India for outside and exports and the goods export expected is supposed to be about $1 trillion by 2030. Now there are various schemes, which I'm sure you are aware, scheme we have written down here, which is supporting all these 4 levers which I spoke about.

The schemes like the RDSS scheme, the green energy corridors, the new energy policy, the VGF schemes for BESS, the interstate transmission waivers, the DPDP Act, the National Data Center Policy, which came out about 6 months ago, which you must have read, the India AI Mission, the AI Conclave which we had in Delhi, Yashobhoomi in April, the railway capex, the high-speed rail and the schemes, the e-drive and a lot on PLI schemes, which are enabling this, especially the ISM, which is India Semiconductor Mission and other rare earth corridors, which the country has been able to establish. So in a nutshell, what does it mean?

It means 4 growth engines, which are driving demand for power infra and for us and which means that more power, which requires smarter grids for better reliability, and that's also another area where we will be able to position ourselves positively. Now while we do this, what we are trying to do in the company itself is trying to finally leverage 3 strategic pillars for growth. One of them being technology leadership, which you must have read in the slide before where I spoke about the new mission statement, where we want to be for our customers, a technology leader and partner.

How do we differentiate ourselves in terms of the eyes of customers as a customer differentiation where customer stays at the core. And our value add would be only how do we prove our services and solutions differently as perceived by customer. And of course, staying cost competitive so that we can not only bring in those technological differentiation, but at the right cost so that we can make the company more profitable.

I would request you to go to Page number 6, where we are trying to share with you as a few of the wins in the quarter which went by, especially on starting off with the high-growth segments, which are semiconductors and data centers. If you look at -- there are two wins which we have captured in this slide, where the left one is a win in the semiconductor area in one of the states in Central India, where we have supplied transformers, which are fully enabled with digital solutions.

And this is the largest front-end fab order which we have received from a customer, which is into this area. We speak about data centers. Data center, again, if you look at the right slide is the medium voltage panel transformer and automation devices and panels, which we have supplied. This has come in from a data center customer, where he preferred us being we as a partner who are able to technologically differentiate what we are going to provide to them. At the same time, I would like you to go to next page, which is Page 7, where we are trying to detail as to, what strategically is good for the company.

And if you look at, we have actually put on three basic areas where we have worked. First being renewables, where we have supplied transformers in the solar segment, and this stays different because of the volume and the efficiency of the transformers we have supplied. The center one is a cement plant put up by one private entity here in India, wherein we have supplied this is one of those first ones which are in the -- one of the prestigious slurry pipeline project where we are doing it.

And the third is essentially is in an airport in South India, where we have supplied this SF6-free RMU pilot, which is an outdoor first of its kind being done in the airport in India. If I take you on the Page 8, which specifically speaks about our technological nuances is the differences is the digital wins where we're talking about -- again, 2 segments, one of being Energy & Chemicals on the left and on the right being Utilities.

In Energy & Chemicals, we have supplied the integrated energy management system, which is very critical for strategically bundling our digital solutions to enhance reliability and the asset performance. And when I say asset performance, this is one of those differences which really customers do consider us favorably in terms of bringing the end-to-end life cycle of the product to the customer.

And on the right, is smart grid and transformer monitor solutions. This is something which we have done as one of the attachments, if I may say so, which has gone in something which we had supplied earlier on where customer came back to us asking us for the digital enhancement that the product might have for better visibility and better preventive maintenance and predictive maintenance. This is one of the successes which we would like to share with you, and we are very proud of.

I will now go on to Page number 10, which is we speak about our company's ESG commitments, and you see 6 tiles here. The top 3 is on CO2 emissions, which our 4 manufacturing sites have. We are at 100%. We are at 100% in electricity sourced from renewables power plant, including on-site solar and the ICP, which we have bought -- we are super safe, 0 workplace safe -- 0 recordable incidents in all the sites. The gender diversity, which we have been working on is close to 20% of the workmen, which actually comprises our women colleagues, we are reaching.

And I would -- I'm very proud of actually sharing the fourth tile, which is on skill development. We have actually trained close to about 1,900 skills with the skills in the state of Gujarat with our 16 skill development centers, which we have made. At the same time, we are also talking about [inaudible 0:14:48] and supporting people in areas, and we have established Anganwadis and PHCs health centers, public health centers, where we have done close to about 220,000 beneficiaries is where we have been able to reach and help and support them through this community center electrification programs.

And the last tile before I hand over my financial performance to my friend, colleague, Omkar, is the CRISIL rating, where we have been awarded as a strong rated organization with a score of 60 plus as 63 out of 100 just about 3 months ago in '25 for the '25.

I now would like and request Omkar to take you through the financial performance. Over to you, Omkar.

Omkar Prasad: Thank you, Udai, and good morning, everyone. Thank you for joining this call. I will begin with our quarterly performance and the key factors behind the results. I will start with the synopsis of the key highlights. I will start with the order. The order is what you see here is the number is INR915 crores.

The good part here, the INR 915 crores is the highest ever quarter we booked order in any of the quarter. While you see the growth year-to-year is 0.5%, but if you look at sequential quarter growth is in double digits. The sales is a soft start as we say, we started from Y-o-Y around close to 5% growth. But if you look at again sequential quarter, it's in double digits. And this is -- if you look at historically in our company, the linearity Q1 is average in the same range where we do almost the soft start in the Q1.

Very good news that we still have very strong backlog, which is growth is close to 33% and around INR 2,100 crores plus backlog we are going entering into the Q2, which is a good thing. EBIT, I will give you more clarity. It's lower than last year, the number is INR32 crores. I will give a little more clarity in the next slide. The profitability and the PAT, the no exceptions.

I will move to the Slide number 13. The sales we talk about is a 5% more moderate growth as Q1 and we see historically linearity that yes, it's the Q1 always a soft start happen after the financial year close. Other income, no surprises is very linear and nothing to specifically call out.

When I come to the gross margin, and if you remember, we discussed this in our Q4 earnings call, and this is an external factor where we have a shortage a crisis commodity inflation is impacting our gross margin and largely because that these order -- the orders which we executed in Q1 is largely coming from last year because the turnaround time of this order, it takes close to average of 6 months. [inaudible 0:18:12] Am I audible?

Moderator: Yes sir. Actually, Mohit sir's line got disconnected. Let me join him back.

Omkar Prasad: So, can I continue?

Moderator: Yes, sure.

Omkar Prasad: Yes. So gross margin, we see that the little bit dip, and it is, as we said in the Q4 earnings call that it's continued to impact -- external impact continued. And we will -- definitely, we are taking a lot of internal actions. Udai sir also talked about we are taking in more on the cost consistent and competitiveness of the actions have been taken on the company, and we'll see that how we can mitigate those things. However, I still I want to just to highlight that these are certain things which are very external factor, specifically in the commodity market when you look at copper and transformer wire, which is something we buy and then the pricing are not our control.

So that is on the gross margin. When I talk about the fixed cost, employee costs and other expenses, while you see the percentage increase is high, but it's a normal Q1 where we do normal salary increment and all cost inflation happened in the Q1. And just because the growth -- sales growth, we are at so moderate at 5%, there is something in the Q1 as negative operating leverage. But for sure, that is not going to be there and you must have saw in the last year that it get even it out throughout the year. It's just because of linearity of the sales you have higher expenses into the employee cost of the expenses.

In these two, in other expenses overall what I also see is one factor of FX because FX also contributed to certain more increase into dollar expenses because the certain recharges and certain the imports what we do which is in USD, which has actually -- the value compared to the INR value has depreciated and that is also impact company here in the other expense. Depreciation is in line as you all approved as a capex. Now we started having capitalization in Kolkata plant. The plant started operationalizing from the early this year and the depreciation is hitting. And most of the growth from the plant over the period, it will anyway get accelerated.

Finance cost, no change. We have not taken any exceptional loan, but this is just a difference in accounting when you look at the finance cost sequential quarter, no change, but there was some accounting change in the last year Q1, there was a gain coming because of modification of the accounting fair value and there was again sitting in the last year quarter. But in current year, it's normalized interest cost. There is no exceptional loan being called out here. So just want to highlight that this increase is just because of the noncash accounting adjustment.

We have a normal tax expenses and then we have a total income, which is 1.9% is in the Q1 because of the impact on the GM and also we have a negative operating leverage, which we will try to catch up in the subsequent quarter.

Now I give it back to operator just to your questions to clarify further. Thank you.

Moderator: Okay, thank you very much. The first question is from the line of Dhruv Rawani from PriceBridge PMS. Please proceed.

Dhruv Rawani: My question is regarding the transmission capex. We know that the solar and the renewable share in the transmission or generation has gone up to more than 40% and there are challenges in terms of transmission, especially on the evacuation side. So what all products and services, especially under our Electro platform do we have? Can you just throw some more light and detail on that?

Udai Singh: Mr. Dhruv, we actually -- the products which we have, as you know, are transformers. We have equipment which handle and distributes power up to 33 kV range. And then we have the control and relay panel, which also becomes an essential part of any power system, I would say, which we go to any class of voltage. Now especially what we do not have is transmission line conductors.

We do not have transformers, which are -- which we call as a high-voltage transformer or extra high-voltage transformers, which are 400 kV and above. So that really is not -- the transmission sector, if I may say so, is not the real work for us in the transmission space. But when we go in and speak with IPPs who are actually making the solar farms, we do a lot there. So what we do essentially is the 33 kV air insulated and gas insulated switchgear, which means a substation. We do about the energy storage system, which is going to get mandated where we will have to have a 24/7 reliable supply and energy storage system, which are battery based.

And we also have a set of softwares, which actually manage -- give you visual and also enables you to control the power plant. So these are the things which the company does. What the company do not do is evacuating high-voltage transformers, which is not in our product range.

Moderator: The next question is from the line of Sameer Thakur from AMBIT.

Sameer Thakur: Would it be fair to assume that the miss is largely driven by lack of operating leverage? If I compare Q-on-Q rather than Y-o-Y, does the gross margins are largely flat if I compare Q-on-Q? Growth in other expenses almost 20% Y-o-Y, that is mostly driven by FX or any other parts over there?

Omkar Prasad: Yes, thank you Sameer. So this is largely because of operating because our expenses all the GSR, what we call inflation cost, salary and other cost charges increases from 1st April. Largely because of operating it started from Q1 and we will hopefully even out throughout the year.

Sameer Thakur: Okay. The operating expenses, that's largely driven by FX or any other thing?

Omkar Prasad: No. In operating costs and other expenses, whatever cost we deal with out of the country, we have a dent of the FX for sure. But also there is an incremental inflation and regular increase, which is approximately 8% to 10% that is also there. So it's a mix of both in other expense.

Sameer Thakur: Now half of the quarter is over for Q2. So what are you seeing this quarter so far in this quarter?

Omkar Prasad: Yes. If you look at historically, when you look at the quarter-to-quarter growth, okay, the Q1 always been a soft start, okay? So Q2 will be a forward-looking statements, I'm not giving you the right thing. But the idea is that historically we always do better than Q1.

Sameer Thakur: Okay. And I know you are not giving any future statements, but given the backlog growth, what ballpark revenue you have in mind any range or something you can expect this year?

Udai Singh: I can take that question, Omkar. Thank you for raising this. Now, the number which you see in this Q1 historically, that's been the case if you compare the other Q1s as well in terms of whatever we do typically for the full year. Now what we have done is we also had some headwinds, which impacted this quarter. What I would like to assure you without giving any forward-looking numbers is all the actions which are necessary and required for retaining and really doing well for the fiscal, we have already initiated.

And what we see is the underlying demand environment and opportunity pipe is healthy for us. The pricing actions in the market has been initiated. It will take some time to really fructify and have an impact. What I can see is that we are seeing the forward-looking 3 quarters, including the one which half of which has gone by is good for us.

Sameer Thakur: Okay. And just last one from my side. If you can comment by end market. So what is the exposure we have in data center? I think last time we highlighted that 10% to 12% comes from data centers. I think backlog is again around the same region, Power & Grid around 40%. If you can comment by end market, if possible, that would be great.

Udai Singh: I can -- what I can state here at this point is more than 1/5 of what is coming is on this new emerging segment is what we hold in our order bank. And that's what we are trying to do as to how do we really manage this mix and try to increase selectively and strategically this mix of orders coming in from the emerging while staying our focus on the core space.

Sameer Thakur: Okay. And then emerging would be data center, semi, solar?

Udai Singh: Yes. So emerging would be at this point in time would be data centers, would be semiconductors because India is in a very rightful path in terms of semiconductor, the companies who are investing huge money supported by government PLI. And we are working -- we are engaging with them pretty fruitfully. So those would be the emerging segments. While solar stays as solar, we have been listening for 5, 6 years, we are trying to see -- it is emerging, but it has already emerged a few years ago.

We are trying to see as to how do we really make inroads and stay afloat there and then bring in the new -- really new emerging segments which we see today for the country, which are especially semiconductors and data centers.

Sameer Thakur: Okay. And one more if I can squeeze in. So in Metals & Mining, we see many companies are putting up capex and the capex growth rate for FY27 looks pretty high for those companies, which are basically your customers. So are you seeing traction on that as well in metals?

Udai Singh: Yes, we are seeing a traction. So there are -- as I said, opportunities which are in front of us that pipeline is healthy and which has got a good mix of Metals & Mining, MMM segment as we call it.

Moderator: The next question is from the line of Vinod from PhillipCapital.

Vinod: You just mentioned in your opening remarks that FX contributed to the growth in the other expenses. So if I have to look at Schneider as a whole, say, on a 12-month basis, how much is imports as part of our COGS?

Omkar Prasad: This will be in the range of 10% to 15%, not more than that.

Vinod: Okay. And there's a natural hedge against that in terms of exports? Exports will be a similar number?

Omkar Prasad: Yes, yes. When you talk about the FX currency, yes, it gets naturally hedged because we do have export as well in the same range.

Vinod: Okay. The second question I had is in your press release, you mentioned that while we understand the commodity headwind and the impact on margins, you also mentioned something about legacy orders. Now Schneider, as I understand, is a company with a book-to-bill of 0.5, 0.6. So effectively, what you're executing today would be at best orders booked maybe 1 or 1.5 years back when pricing was pretty good. So why would these legacy orders impact margins in that sense? Can you clarify on that legacy orders?

Omkar Prasad: Okay. So when we said legacy orders means the orders which booked before December last year, and these all contracts has a price which we offer to the customer is kind of a firm price because the revision period was somewhere close to 6 months. So when we have a customer firm price and then price of the raw material like copper, of oil and all the other costs have increased, we are unable to go back to customer and ask for the revisions, okay?

So that's what we are talking about that this is impacting while some of the contracts which we have a large execution period where we always embed the price variation clause with the customer. So that's what we are trying to say that wherever we can't contractually go back to the customer to revise the price or seek for the price revisions and that's impacting our P&L.

Vinod: So if I divide the order inflows pre-December, it would be fixed price contracts and post December, you would have price variation clauses. And that will somewhat show up on execution going forward. Is that the right way to look at?

Omkar Prasad: Yes and no, because it's internal policy said that we've taken corrective actions. We have started putting mandatory as a price variation clause into all the contract. But wherever we have a tender there the price variation itself, it's not 1 of the ask or they can't -- even we can't bid if there's conditions not there, specifically in different utilities. So we can't go and have deviation in their tenders. So there, again, what we are giving is a price again with a certain validity, okay?

But I will say still we have a risk there. If there's a delay in execution of the projects of the customer, we may have impact in the GM again. So while we've taken an action, we can't enforce the price variation in all the government tenders backed by EPC and others. So that's -- we have a challenge there.

Vinod: So the legacy orders typically would be distribution orders or DISCOM orders?

Omkar Prasad: No, it's all mix. So largely, you can say more on Power & Grid segments, yes.

Vinod: Okay. And finally, on the DISCOM capex, what kind of a capex run rate you have internally for this year in terms of DISCOM capex?

Omkar Prasad: You're talking about the DISCOM capex, our capex for the DISCOM unit?

Vinod: No, not your capex. Basically, the TAM that could be available in the distribution capex segment.

Omkar Prasad: Udai?

Udai Singh: Yes, yes, I can take this question. Thank you, Vinodji. See, I'm sure you would have seen the capex which the company has embarked on. We have typically -- in the last 3 years, if I may so, we have we have actually taken on a capex of roughly about INR500 crores in our 3 plants, which we have. And the basic idea is how do we enhance our capacities, number 1?

Number 2, how can we cut on the import which we do from other Schneider factories outside of India? And to answer your question, the items which we make and the products which we manufacture are not exactly for a specific segment. They serve to a specific segment, for example, Power & Grid, which you have asked in a certain way. For example, secondary distribution equipment is mainly for Power & Grid.

And we have been trying to see as to how do we bring up those capacities which can cater to Power & Grid, especially in the secondary distribution and also in the transformer range, if you have, which also particularly goes in large amount goes in power distribution. Now we are in sync with the capex, which government has been planning and especially RDSS' INR300,000 crores, which have been put. And we are trying to see as to how do we leverage this by these items which we produce ourselves in our factories.

Now at the same time, I think you very correctly asked because your question was how many orders were booked before December and what exposure do we have. So we are a bit selective in terms of engaging ourselves in those strategic accounts wherein the site is clearly visible. The project cycle is known and there are lesser ambiguity in terms of executional ease of the contract.

So if the TAM is, say, 10, we may decide to engage in only, say, a number which is less than 10, depending on these situations and the lenses which we apply on any available TAM. So difficult to answer, but we are a bit choosy and selective depending on which all contracts we enter into.

Vinod: Sure. So what is the TAM likely for FY27? How much do you expect distribution companies to spend this year?

Udai Singh: The distribution companies, if they spend 100 doesn't mean that 100 is open for us. Someone who's actually uplifting the underground substation, underground cabling, really, we don't get into that contract. The RDSS scheme, it is primarily aimed at is reduction of AT&C losses that has been the primary objective. And which is going to get fulfilled by basically 2 fundamental actions.

One action is to strengthen the power distribution infrastructure, which means that either replacement or putting up new devices and products and/or going in with more structured cabling of distribution networks. That's one part.

Second part is how to really digitalize the distribution infrastructure. That's the second part. The first part, we supply. We don't go under -- we don't undertake something which is underground cabling. We supply our equipment, which are technologically differentiated.

And in the second part, we get into where there is a grid modernization in a very layman terms, I would say. When someone is trying to modernize the grid or a distribution architecture, that is where we step in and we give our solution.

So now for example, if the TAM is 100, the 100 may perhaps pertain to any number which is, say, 10, 15, 20, 25, depending on the nature of the job which the state undertakes or the circle undertakes. So it is very difficult to actually speak about a number, but we are there where we should be there strategically.

Vinod: Sure. So just continuing on that thought, sir, I think...

Moderator: Sorry to interrupt you, Vinod, sir, but can you please rejoin the queue? The next question is from the line of Jay Negandhi from Ambit Capital.

Jay Negandhi: So my first question is that last quarter, we had said that the order growth was tepid because of conscious decisions made by the management due to extreme volatility in commodities. And this quarter, we have posted a healthy order growth. So I just wanted to understand how much of the order growth would be fresh for this quarter and how much would be a spillover from the previous one?

Udai Singh: See, this year -- this quarter, we have done the highest order intake at INR 915 and with a large prior of the same quarter, if you look at quarter-on-quarter. Now it is -- we are not tracking. We will not be able to see what should have been decided by 31st March spill over to April. But that's a typical thing which always happen. There's a cutover which -- where the order or the contract moves into new quarter.

So that really is not impacting because that's something which is leveraged out in each quarter. So it is not that there's a great influence of client phasing in orders which happens. Sometimes it is say, 15%, 20%, sometimes it is lesser. So it is very hard to answer you that question.

Jay Negandhi: Okay. Understood. My next question is that -- would you be able to quantify the magnitude of price increases we have taken to mitigate the commodity inflation?

Udai Singh: We have done very aptly whatever we had to do, sir, so that we are mitigating the impact of raw material intake. But it depends on item to item. The impact of raw material is different because the composition and the constituent of the product and our commodities are different. So what we have done as a practice is trying to see as to how do we recover those inflations, which we have seen in the product cost in various products. Difficult to quantify, but we are trying to see whether that impact -- how best it can be mitigated.

Jay Negandhi: Perfect. My last question would be that how much of our current backlog would be guarded by price variation clauses? And in the future, would we prefer taking orders where we get the price variation clauses? Or would it be decisions on a case-to-case basis?

Omkar Prasad: Okay. I'll take this question. Yes. So historically, I think we -- given this heads up that on price variation clause in the contract, it's in the range of 20%, 25%, not more than that, and which is mostly -- which are large execution cycle project, which is more than 6 months to 1 year, more than 1 year. Second, I think most of the -- when we do tendering, the costing sheets are always replaced on the current cost base, okay?

So I'm not sure, Jayji, when you say price revision, we do have the transactional, but most of the projects and equipment, we do costing on case basis on every tender. And accordingly, the pricing gets revised now every month. So when we do the costing, we consider the latest always latest price.

Moderator: The next question is from the line of Manish Goyal from ThinQwise Wealth Managers.

Manish Goyal: Continuing on the impact on the -- regarding the material costs, I would like to know, is there a change in your revenue mix between systems and transactional products and services, which could also have impacted your current quarter as well as maybe similarly, last quarter also, we had seen an impact. So that is the first question.

Omkar Prasad: Yes. So -- not big mix change, but the one change is what is happening that emerging segments is coming with the higher scope, including installation and commissioning. So from supply, we are also getting into the larger the project execution cycle, where the mix is changing in terms of not supply, it's also coming with a more longer gestation in execution period, including installation and commissioning. So this transactional mix, I think we are maintaining with the similar revenue growth way we expect. So nothing -- no much change in that.

Manish Goyal: So would it be possible to just give us a mix because like ideally, a couple of years back, we were expecting our transactional products and services contribution to increase. And so somehow, we don't have those data points, but maybe if you can give us what is -- where does it stand today, and within the order book also?

Omkar Prasad: Yes. We take your question. I think we can try to give you from next quarter, I think some clarity on this.

Manish Goyal: Okay. Okay. And also when we talk about emerging segments and maybe some of this -- also I would relate this that digitization has been improving under our EcoStruxure platform. So is it that a lot of these new orders or the systems orders, what we would be getting would have a higher import content. And like even GIS, we are probably -- I understand that we don't manufacture. It's not localized here and then. So some of these products like GIS where there is probably higher imports. So that would also have impacted your margins?

Omkar Prasad: So I think import content, as I mentioned, I think before. So we do have import content and because of forex, it has impacted. Even the cost of -- the imported component cost also has increased because it's not only in India, everywhere cost and commodity has impacted. So what I'm buying it is in last year versus now, actual cost also increased and the cost of import, which is FX also has INR depreciated. So both has impacted.

Manish Goyal: Sir, I appreciate that. Where I'm coming from is that as the import content, the raw material or the finished products or has that content increased in your overall basket?

Omkar Prasad: Not really, not really. In fact, Udai can talk about more I4I, where we are focusing more on India for India and more indigenous inputs increase, but we are not increasing import dependency.

Manish Goyal: Okay. And so then on exports, sir, what would be our export revenue contribution now? And also, I would like to probably put it in the context where we have put up new facility and we were looking to probably also make it as an export-focused unit. So maybe if you can just give us a perspective, what is the current export revenue of the total revenues? And how do we see it going forward?

Because for a lot many MNCs operating in power equipment sector, we have seen that exports have now reached 25%, 30% on a consistent basis, both on the revenue contribution side and the export order book -- sorry, overall order book. So I would appreciate if you can give your thoughts on the export side.

Omkar Prasad: Today, our export revenue is in the range of 10% to 12% in the revenue. And you know that the capex we invested in Kolkata largely will cater the export market, which is just starting, okay?

We are still at more on ramp-up stage. It will take some time to reach and accelerate the export growth.

Manish Goyal: Okay. Okay. But would you like to share any medium-term targets as to where we want to take this 10%, 12% to? And with this new facility with large capex, what we have done, how should we look at it over a period because that would provide a lot of natural hedge to us going forward?

Omkar Prasad: Yes, sir. So I think we'll not be able to give you the number and percentage will also vary depending on my overall growth, okay? So it's unfair to estimate in terms of percentage today. But I can assure you that in terms of the value -- absolute value, it is there in the strategy when we include the capex in the Kolkata plant. It will increase for sure. But in terms of mix because we are also growing in emerging segment and otherwise, so that is difficult to tell you at this stage.

Manish Goyal: Okay. And last question on Vande Bharat, would it be possible to...?

Moderator: Sorry to interrupt you, Mr. Goyal, but can you please rejoin the queue? The next question is from the line of Aditya Deorah from Divisha Investments.

Aditya Deorah: My query is with respect to the expansion that we have announced previously. So is everything as per plan? Or is there any change in the plans with respect to the target completion timeline?

Omkar Prasad: Thank you, Adityaji. Everything is well on track. I can assure you that the latest -- the discussion what we did with the Board also with the updated status is going on track.

Aditya Deorah: So we should have additional capacity available in the second half of this financial year with respect to the expansion?

Udai Singh: Yes. Yes, this is Udai. We have multiple programs. I'm sure you have seen them. Programs are in our medium voltage factory in Baroda, in transformer factory in Baroda and the new plant which we are making in Kolkata.

And there are multiple capsules which we have actually embarked on in terms of capex infusion, and they have a staggered completion time lines and a ramp-up plan. What Mr. Omkar was saying that all of them -- all those programs are being tracked by the management, and they are well on track as we see today, and we don't see any hiccups coming on the way of their completion.

So the answer is to your question is yes. It is -- since it is going as per plan. There are many things which are going to happen in calendar year '27. There are a few which is going to get over by '28 and thereafter a ramp-up plan. So it is all on track.

Aditya Deorah: So my second question pertains to the sticky inflation that we are watching or we are seeing with respect to the commodity prices. So what is our plan to deal with it? And we have taken some price hikes of late. So why weren't these price hikes taken maybe a quarter back or something like that or taken when the prices were going up?

So like why has -- as compared to many of our competitors, let me rephrase it. As compared to many of our competitors, our margins are a bit subdued over the last 2, 3 quarters. So why have we fallen back with respect to taking price hikes with respect to our competitors maybe?

Udai Singh: So Adityaji, to answer you, we have not delayed the price action. We have initiated the price hike action right at the time when we started witnessing it. And that's the reason why I would not like to comment upon how the competition is doing and what they have been doing. But from our side, we can assure you that since the time when we are pretty much advanced with our tools in the factory to really engage and quantify the cost increases which are being seen and are impacting our product manufacturing.

And we have been pretty much on time in terms of quantifying it and communicating it in especially those standard products which we sell, which has -- which are covered by a price list. So we have been able to draw and share with the marketplace on the right time. So we haven't delayed this action, if I may answer you, number 1.

Number 2 is the fall in this quarter margin, as what Omkar has said, this is maybe more on the operating leverage, but that -- and the RMI impact, which has happened, which is, I would say that it is more on this quarter, and we have plans in place to overcome this because we also anticipate, like you, that this condition and the tailwinds which we had will get muted and will get ironed out in coming times.

Moderator: The next question is from the line of Vinod from PhillipCapital.

Vinod: I think since you ended on digitalization in state DISCOMs, so I think Schneider was one of the few companies which is present across the entire chain from the hardware to the automation to the software. But are you seeing tenders coming in that fashion? Or are tenders getting broken down into the substation separately, the automation tender separately? I mean, are DISCOMs now giving integrated packages as well? Are you seeing that at the ground level?

Udai Singh: Yes, it's a mix which we witness. And so there are 2 ways in which we deal with. If it is something where just a pure digitalization package uplift from an upgradation of the facility, we undertake ourselves. If there's anything where we do not really add any value in terms of, as I was mentioning some time before, where it's more of making a new substation and doing a civil work and then also putting an upgraded digital infrastructure there. We do not undertake it directly at times, and we -- is normally quoted by large EPC houses of the country who actually are coordinating civil infrastructure, where we support them in terms of the solutions and systems which we have around grid modernization.

So that's how we do it. There is no one way to actually address this upcoming need of India. We really see as how the content is and different state, as you rightly put it, have different formats in which they try to get their requirement, obviously, because of the reasons and the situation in which they are different. And we decide depending on the quantum of work where we can really add some value to the partner or directly to take a call depending on when the tender is cited and we start engaging with the tender.

Moderator: The next question is from the line of Sameer Thakur from Ambit.

Sameer Thakur: So if I understand correctly, your tilt is more towards private utilities and obviously, you have some business on public as well. But if I talk about particularly one large private customers who is putting up a large capex in Mumbai. So are you seeing any more inquiries in the pipeline and thus you have more visibility on Power & Grid side?

Udai Singh: Yes, we do have because we see this, the utility which you are talking about and especially on all the private players, not exactly private has got some government of India infusion as well. We are seeing this -- we are seeing and we are witnessing this flow of inquiries. And that's the reason I said that we do see a good pipeline in front of us, and that's the reason why I am reasonably confident that we'll deliver what we plan to do for the fiscal year.

Sameer Thakur: Okay. So that is volume growth and plus price increase as well. So -- or it's just driven by pricing or pricing plus volume. So we should expect both growth on both the fronts, right?

Udai Singh: You're right.

Sameer Thakur: And just -- and one more question, if I have. So comparing business...

Moderator: Sorry to interrupt you, Mr. Thakur, but due to time constraints, that was the last question for today. I now hand the conference over to Mr. Harshit Kapadia for closing comments. Over to you, sir.

Harshit Kapadia: Yes. Thanks, Huda. We would like to thank the Schneider Electric management team for giving us an opportunity to host this call. We would also like to thank all investors and analysts for joining this call. Any closing remarks, Schneider team, that you want to share with investors?

Udai Singh: Yes. Thank you, Harshit, and thank you all who actually took out time to join this call. On behalf of the company, what I would like to commend the call is that we have -- we are sitting in front of a good and healthy pipeline. We assume that the pricing action and the execution plans which we have, which has already been initiated will make our way through.

And we also see that as we progress, these uncertainties will die down. And under the backdrop of the pipe which we have and the actions which we have initiated, I'm confident that moving forward, the year, which are balance 3 quarters will be good for us. Thank you again for joining, and have a great day.

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