⚡ Schneider Electric Infrastructure Ltd.

NSE: SCHNEIDER | Capital Goods / Electrical Equipment | MNC Subsidiary | Date: 04 Mar 2026

BUY | CAPITAL GOODS | MNC SUBSIDIARY | DATA CENTER PLAY | POWER INFRASTRUCTURE

CMP
₹875
52W: ₹540 – ₹1,052 | Mkt Cap ₹21,865 Cr

Target 1Y	Target 2Y	Stop
₹1,150	₹1,500	₹720

REVENUE FY25	Q3 FY26 REVENUE	ORDER BACKLOG	9M FY26 ORDERS
₹2,637 Cr	₹1,029 Cr	₹1,707 Cr	₹2,657 Cr
+19.5% YoY	+20.1% YoY | Highest Ever	+52.8% YoY	+37.6% YoY

PART A — FUNDAMENTAL ANALYSIS

Business quality, financials, valuation, management & risks

A1 — COMPANY OVERVIEW & VALUE CHAIN POSITION

Listed Entity	Schneider Electric Infrastructure Ltd. (SEIL)
Parent	Schneider Electric SE, France (Global ~€40B revenue)
Promoter Holding	~75.0% (MNC parent)
Founded	1995 (as a JV, fully under SE since 2011)
Employees	~1,387
Headquarters	Gurugram, Haryana
Manufacturing	Vadodara (MV), Nashik, Hyderabad plants
Certifications	ISO 9001, IEC standards, BIS approvals

Value Chain Position

SEIL occupies a premium mid-chain position — designing, manufacturing & supplying medium voltage (MV) switchgear, distribution transformers, automation solutions, and EcoStruxure platform services to **utilities, industries, real estate, data centres, renewables, and government infrastructure**. It benefits from parent SE's global technology, brand, and order pipeline.

VALUE CHAIN:

Raw Materials (Copper, Steel) → SEIL Manufacturing → EPC/Projects → End Users

A2 — CAPABILITIES, PRODUCTS & STRATEGIC POSITIONING

Core Product Portfolio

MV Switchgear 35% | LV Products 25% | Automation 20% | Services 20%

PRODUCT	APPLICATION
AIS/GIS Panels (11–33 kV)	Utilities, Infra, Industry
Distribution Transformers	Power distribution networks
LV Switchboards	Commercial & industrial
EcoStruxure Platform	IoT-enabled energy mgmt
SCADA/Automation	Renewables, utilities
Services & Aftermarket	High-margin recurring

Sunrise Segments (New Growth Engines)

- **Data Centres:** Hyperscaler & colocation expansion in India; SEIL supplying transformers, AIS panels, MV solutions to strategic cloud/DC clients
- **Renewables/Solar:** Penetrated circuit breakers into solar segment 2025; one of largest transformer orders for solar client
- **Semiconductors:** Largest-ever order from semiconductor manufacturer (AIS, GIS, transformers, EcoCare)
- **Metals & Mining:** GIS Panels order — establishing reference in new segment

A3 — OPPORTUNITY SIZE & TAM

INDIA POWER T&D INVESTMENT	INDIA DATA CENTRE MARKET	INDIA SOLAR CAPACITY
₹9.15L Cr	$10B+	500 GW
FY24–FY30E (NIP targets)	By FY27E (CAGR 25%+)	Target 2030 (from ~180 GW now)

India's power sector is undergoing its largest-ever upgrade cycle. Government's PM Surya Ghar, Smart Cities, and infra CAPEX schemes are driving MV/LV equipment demand. Every MW of new power capacity (renewable or conventional) requires substation equipment — transformers, switchgear, automation — which is SEIL's core business. The data centre boom (all hyperscalers expanding in India) is a secular structural tailwind. SEIL's parent SE is the preferred global supplier to major cloud players, giving SEIL an order advantage in this segment.

A4 — OPERATIONS & KEY ORDER WINS

Order Momentum (Quarterly)

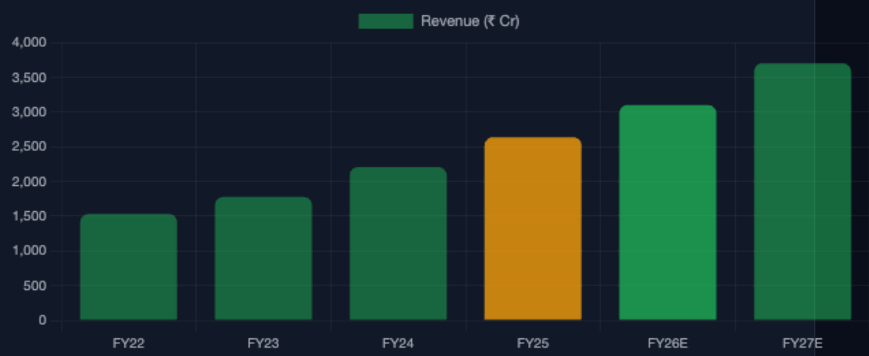
QUARTER	ORDERS (₹ CR)	GROWTH YOY
Q1 FY26	812	+29.4%
Q2 FY26	936	+24.8%
Q3 FY26	**909**	**+60.7%**
9M FY26	**2,657**	+37.6%
Order Backlog	1,707	+52.8%

Key Recent Wins (FY26)

- **Data Centre Client:** AIS Panels + Transformers + EcoCare for strategic DC client
- **Solar (Largest-ever transformer order):** Penetrated solar transformer segment
- **Semiconductor Manufacturer:** AIS + GIS + Transformers — largest order in segment
- **Metals & Mining:** GIS Panel order — new reference in segment
- **Services:** Strong recurring order momentum across installed base

A5 — FINANCIAL PERFORMANCE (TRAILING + FORWARD)

METRIC (₹ CR)	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue	1,530	1,777	2,207	2,637	3,100	3,700
Revenue Growth	+18%	+16%	+24%	+19.5%	+17.5%	+19%
EBITDA (₹ Cr)	168	210	285	382	480	610
EBITDA Margin	11.0%	11.8%	12.9%	14.5%	15.5%	16.5%
PAT (₹ Cr)	82	130	195	270	330	415
PAT Growth	+38%	+59%	+50%	+38%	+22%	+26%
EPS (₹)	3.3	5.2	7.8	10.8	13.2	16.6



Quarterly Trend (FY26)

QUARTER	REVENUE	PBT*	YOY REV
Q1 FY26	₹622 Cr	~₹78 Cr	+4.8%
Q2 FY26	₹650 Cr	~₹48 Cr	+8.4%
Q3 FY26	**₹1,029 Cr**	**₹155 Cr***	**+20.1%**
9M FY26	₹2,301 Cr	₹281 Cr*	+12.3%

*PBT before exceptional items. Q3 FY26 PAT ₹97 Cr (includes ₹42.2 Cr exceptional gratuity charge)

A6 — REGULATORY, POLICY & MACRO TAILWINDS

- **PM Surya Ghar Scheme:** 1 Cr households to get rooftop solar — drives distribution equipment demand
- **National Infrastructure Pipeline:** ₹111L Cr investment; power sector ₹9.15L Cr
- **Data Centre Policy 2024:** India as DC hub; SEZ benefits; 100+ DC projects announced
- **BIS Mandatory Standards:** Favours established manufacturers like SEIL with certified products
- **Make in India:** SEIL's local manufacturing gives it preference in government tenders
- **Smart Metering:** 250 Mn smart meters target — requires grid automation = SEIL's SCADA/automation

- **RE Capacity Push:** 500 GW renewable by 2030 — each GW requires MV substation equipment
- **Currency risk:** Some imports of components — INR depreciation impacts margins marginally

A7 — CONCALL & MANAGEMENT INSIGHTS (Q3 FY26)

MANAGEMENT ON GROWTH

"SEIL is at an inflection point — our Q3 performance reflects strong execution and diversified order pipeline across Services, Data Centres, Solar, and Semiconductor segments." — MD & CEO Udai Singh

ON EXCEPTIONAL ITEMS

₹42.2 Cr exceptional charge in Q3 FY26 primarily due to gratuity liability changes under new Labour Code (₹24.6 Cr). Non-recurring in nature. Normalized PAT would be ~₹130+ Cr for Q3.

ON ORDER MOMENTUM

Q3 FY26 orders +60.7% YoY. Management sees "sustainable order backlog" of ₹1,707 Cr. Sunrise segments (DC, solar, semiconductor) now contributing meaningfully to order intake.

ON MARGIN EXPANSION

EBITDA margins expanding as services and solutions revenue mix grows. Services carry higher margins than pure product sales. Target 16%+ EBITDA medium-term.

ON CAPACITY / CAPEX

Facility expansions underway in Vadodara (MV switchgear). Digital factory investments in progress. Capex cycle funded from internal accruals — no major debt needed.

ZONE PRESIDENT COMMENTARY

"Strategic focus on high-potential segments — Cloud & Service Providers, Semiconductors, Medium Voltage switchgear. Government initiatives supporting substantial planned CAPEX." — Deepak Sharma, Zone President

A8 — BALANCE SHEET HEALTH & FRAUD FILTER

Key Ratios

ROCE	~35–40%
ROE	~28–32%
Debt/Equity	Near Zero (Cash-rich)
Working Capital Days	~80–90 days (typical for capital goods)
Cash & Equivalents	₹500–600 Cr (strong)
Promoter Pledge	NIL
Promoter Holding	~75% (MNC parent, stable)
Dividend	Intermittent (parent-driven)

Fraud Filter Checklist

- ✅ OCF broadly tracks PAT — no large divergence
- ✅ No promoter pledge
- ✅ MNC subsidiary — accounts under SE global audit
- ✅ Zero significant related-party concerns
- ✅ Revenue growth corroborated by order backlog growth
- ✅ Debt-free balance sheet; strong cash position
- ⚠️ Q3 FY26 exceptional items (₹42.2 Cr) — one-time, Labour Code related
- ⚠️ Working capital can spike with large project orders

A9 — P&L DEEP DIVE & OPERATING LEVERAGE

Revenue Decomposition (FY25E ~₹2,637 Cr)

Products 35%	Projects 25%	Systems 20%	Services 20%

Services mix increasing (high margin, recurring). Target to grow services to 25–30% of revenue over FY27E.

Key Vertical Mix

VERTICAL	REVENUE MIX	TREND
Utilities & T&D	~30%	Growing
Industry & Process	~25%	Stable+
Buildings & Real Estate	~20%	Stable
Data Centres (New)	~15%	↑ Rapid growth
Renewables (New)	~10%	↑ Strong growth

Operating Leverage Story

FY22 EBITDA Margin	11.0%
FY23 EBITDA Margin	11.8%
FY24 EBITDA Margin	12.9%
FY25 EBITDA Margin	14.5%
FY26E EBITDA Margin	15.5%
FY27E EBITDA Margin	16.5%

📈 **Operating Leverage:** Revenue grew 4.4x from FY17 to FY25 while EBITDA margins expanded 550 bps. Services mix + volume absorption = margin compounding story continues.

A10 — VALUATION MATRIX

METRIC	FY25A	FY26E	FY27E
Revenue (₹ Cr)	2,637	3,100	3,700
EBITDA (₹ Cr)	382	480	610
PAT (₹ Cr)	270	330	415
EPS (₹)	10.8	13.2	16.6
P/E at CMP ₹875	81x	66x	53x
EV/EBITDA	~54x	~43x	~34x
P/S	8.3x	7.1x	5.9x
Mkt Cap / Revenue	8.3x	7.1x	5.9x

Target Price Scenarios

BULL CASE — ₹1,500 (FY27E 90x PAT)
DC + RE orders accelerate. Margin 17%+. PAT ₹450 Cr.

BASE CASE — ₹1,150 (FY27E 70x PAT)
Steady 20% growth. 16.5% EBITDA margins achieved.

BEAR CASE — ₹600 (FY27E 40x PAT if growth slows)
CAPEX slowdown, competition from ABB/Siemens eats share.

Note: SEIL trades at premium to sector peers (PE Electric/Havells) due to MNC technology advantage + DC tailwind pricing.

A11 — MANAGEMENT QUALITY SCORECARD

Vision & Strategy	●●●●●	5/5
Execution Track Record	●●●●○	4/5
Capital Allocation	●●●●○	4/5
Promoter Commitment	●●●●●	5/5
Minority Shareholder	●●●○○	3/5

Overall: 4.2/5 — Strong MNC management; SE parent brings technology + global order pipeline. Concern: dividend policy is parent-driven, not minority-friendly.

Key Management

MD & CEO	**Udai Singh**
Zone President	**Deepak Sharma**
Parent	**Schneider Electric SE, France (€40B revenue)**

🌍 **MNC Advantage:** Access to SE's global R&D, product roadmap, client relationships, and brand. SEIL gets preferential positioning for Indian orders of global clients (hyperscalers, semiconductor fabs).

⚠️ **Watch:** Delisting risk if SE parent decides to consolidate Indian operations (historical precedent with other MNC subsidiaries). Currently not flagged.

A12 — RISK MATRIX

- **Competition (ABB, Siemens, GE T&D):** All competing in same MV/LV space. SEIL differentiates via SE brand, EcoStruxure platform, and localization. Sustained competitive moat via tech updates from parent.
- **Valuation Risk (66x FY26E P/E):** Premium valuation leaves little room for disappointment. Any quarterly miss or guidance cut = sharp de-rating possible.
- **Commodity Costs:** Copper and electrical steel price spikes impact raw material costs. Partially mitigated by contract escalation clauses.
- **Order Execution Risk:** Large DC/semiconductor orders may face delays. Mitigated by SEIL's execution track record and local manufacturing capacity.
- **Working Capital:** Large project orders can elongate receivables. Strong balance sheet provides buffer.
- **Delisting Risk:** SE parent may eventually delist the subsidiary (as seen with other MNCs). Could be at significant premium to CMP. Not imminent but worth monitoring.
- **Regulatory:** BIS certifications, IEC compliance — SEIL already fully compliant, moats competitors out.

A13 — CATALYSTS & TIMELINE

- Q4 — **Q4 FY26 Results (May 2026):** Full year FY26 results — expect record annual revenue ₹3,000+ Cr; confirmation of margin trajectory
- DC — **Data Centre Order Announcements (Ongoing):** Each major DC project announcement (Google, Microsoft, Meta expanding in India) = potential large order for SEIL
- RE — **Renewable Energy Orders:** 500 GW RE target by 2030. Large solar/wind orders = meaningful substation equipment orders. Each GW = ~₹15–20 Cr substation equipment
- SE — **Parent SE Global Order Pipeline:** SE wins global contracts with hyperscalers/semiconductor companies — India execution often routes through SEIL
- EX — **EcoStruxure Expansion:** Digital/software revenue growing — higher margin, sticky revenue base provides re-rating catalyst

PART B — TECHNICAL ANALYSIS

Stage analysis, price action, levels, R:R framework

B0 — STAGE ANALYSIS (WEINSTEIN METHOD)

Stage 1	Stage 2	Stage 3	Stage 4
Basing	UPTREND ✓	Top	Decline

Current Stage	Stage 2 — Established Uptrend
52W Return	+62% (₹540 → ₹875)
Distance from 52W High	-16.8% (₹875 vs ₹1,052)
Setup Type	Pullback in uptrend — building base ₹840–900
MA Position	Price above 30W MA; 30W MA upward sloping
Volume Pattern	Volume on up-moves > volume on down-moves

Stock made a multi-year base from ₹150–250 range (FY20–FY22) and broke out powerfully above ₹400 in 2023 as India's infrastructure capex cycle re-rated the entire capital goods sector. The current pullback from ₹1,052 to ₹875 is a healthy consolidation within the Stage 2 uptrend — **not a Stage 3 distribution**. Fundamentals strongly support continuation of the uptrend. Entry at current levels (₹840–920) offers attractive asymmetry.

B1 — MOMENTUM, VOLUME & PRICE ACTION

Trend (Weekly)	Uptrend — Higher Highs, Higher Lows
RSI (14W)	~52 (neutral after pullback)
MACD (Weekly)	Mild bearish cross (short-term)
Volume on Up Days	Constructive — accumulation pattern
RS vs CNX500	Outperforming (Capital Goods sector leader)
RS vs Nifty	Strong outperformance over 1–2 years
Price Pattern	Pulling back to 30W MA — natural consolidation
Sector Strength	Capital Goods sector in Stage 2
Delivery %	High delivery — institutional accumulation
FII/DII	Increasing MF/FII ownership
Short Interest	Low — no significant short overhang
Key Trigger	Q4 FY26 results + large DC order

B2 — KEY PRICE LEVELS

STOP ₹720 (Hard Stop) · Support 2 ₹780–820 · Entry Zone ₹840–920 · CMP ₹875 · T1 ₹1,050–1,100 (Prior ATH) · T2 ₹1,300–1,400 (FY27E fair value) · T3 ₹1,500+ (Bull case)

LEVEL	PRICE	SIGNIFICANCE
Hard Stop	₹720	Below 30W MA; structural support broken
Demand Zone 1	₹780–820	Prior base, April–May 2025 consolidation
Current Entry Zone	₹840–920	Pullback support; 30W MA zone; BUY here
CMP	**₹875**	**Inside entry zone — accumulate**
Resistance / T1	₹1,050–1,100	Prior 52W high; breakout above = strong signal
Target 2	₹1,300–1,400	FY27E 85x P/E target
Bull Target	₹1,500+	FY28E expansion; DC+RE re-rating

B3 — TREND ANALYSIS & RELATIVE STRENGTH VS CNX500

1-Year Return (SCHNEIDER)	+62%
1-Year CNX500 Return	~+8%
Relative Outperformance	+54% vs benchmark
3-Year Return	~350%+ (from ₹200 base)
RS Rank (Capital Goods)	Top quartile within sector

SEIL has consistently outperformed CNX500 over 1, 2, and 3-year periods. The capital goods sector as a whole has been one of India's strongest performing sectors driven by the infrastructure capex cycle. Within the sector, SEIL benefits from the additional DC + renewables tailwinds giving it above-sector-average RS.

B4 — RISK:REWARD ANALYSIS

✅ SCENARIO A — Entry in Zone (₹840–920) — RECOMMENDED

ENTRY	STOP LOSS	RISK	T1 (₹1,100)	R:R TO T1
₹875	₹720	₹155	+₹225	1 : 1.4
			T2 (₹1,400)	R:R TO T2
			+₹525	1 : 3.4

⚡ SCENARIO B — Breakout Entry (above ₹1,100) — For Momentum Traders

ENTRY	STOP LOSS	RISK	T1 (₹1,400)	R:R TO T1
₹1,100	₹900	₹200	+₹300	1 : 1.5

B5 — ENTRY, EXIT & MILESTONE PLAN

Entry Strategy

- 🟢 **Accumulate on Pullback:** ₹840–920 zone is the ideal entry. CMP ₹875 is inside this zone — start building position.
- 🟢 **Stagger Entry:** 50% at ₹875, add 25% at ₹820, add 25% on breakout above ₹950
- 🟡 **Momentum Entry:** Add on confirmed weekly close above ₹1,052 (prior ATH)
- 🔴 **Stop Loss:** Weekly close below ₹720 — exit full position

Milestones to Track

1. Q4 FY26 results (May 2026): Watch for FY26 revenue >₹3,000 Cr + margin confirmation
2. T1 exit: Partial sell at ₹1,050–1,100 (prior ATH resistance); hold balance
3. FY27E rerating trigger: Large DC or semiconductor order >₹500 Cr = ₹1,300 target activation
4. Position size: 4–6% of PMS portfolio (high quality, reasonable risk)

⚡ VERDICT — BUY | Target ₹1,150–1,500 | Stop ₹720

FUNDAMENTAL CASE

India's best-positioned MV/LV equipment company for the infrastructure capex supercycle. SE parentage provides technology moat, global order pipeline, and brand. Data centre + solar + semiconductor orders creating a NEW S-curve of growth beyond traditional utilities. Revenue compounding at 18–20% CAGR with margin expansion from 11% → 16.5% over 6 years = powerful earnings lever.

TECHNICAL CASE

Stage 2 uptrend intact. Healthy pullback from ₹1,052 → ₹875 (-16.8%). Now at 30-week MA support and prior base zone. RS vs CNX500 remains strong. This is a classic Stage 2 pullback-to-buy entry. Entry here at ₹840–920 with stop ₹720 and targets ₹1,100/₹1,400 offers R:R of 1:1.4 to 1:3.4.

RISK FACTORS TO WATCH

Premium valuation (66x FY26E P/E) means zero tolerance for earnings miss. Competition from ABB, Siemens intense. Copper/steel price spikes can temporarily compress margins. Diversified order book (DC + RE + utilities) provides stability but large single-quarter orders can create revenue lumpy periods.

R:R 1:3.4 (to T2) | Position: 4–6%