



“Genus Power Infrastructures Limited
Q3 FY '23 Earnings Conference Call”

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**MANAGEMENT: MR. KAILASH AGARWAL – VICE CHAIRMAN – GENUS
POWER INFRASTRUCTURES LIMITED
MR. JITENDRA AGARWAL – JOINT MANAGING
DIRECTOR – GENUS POWER INFRASTRUCTURES
LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to Genus Power Infrastructures Limited Q3 FY '23 Earnings Conference Call. This conference call may contain certain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kailash Agarwal, Vice Chairman of Genus Power Infrastructures Limited. Thank you. And over to you, sir.

Kailash Agarwal:

Thank you. Good evening, ladies and gentlemen. A very warm welcome to Q3 FY '23 Earnings Call of Genus Power Infrastructures Limited. Along with me, I have Mr. Jitendra Agarwal, Joint Managing Director of the company; and our Investor Relation Advisors, SGA. We have already put the results on investor presentation and stock exchanges and company website, and I think all of you must have got a chance to look at it.

I'm glad to inform you that we have received a huge order inflow for installation of almost 30 lakh smart meters, prepaid meters, to be precise, 29.49 lakh smart prepaid meters, with the total -- now the total order book of the company stands at INR 4,099 crores, net of taxes. This shows that there is a great visibility to the company for the growth of financial year '24 and to get good numbers in operations. And we expect this healthy order inflow to continue in upcoming quarters also.

We also anticipate restoration of normalcy in the supply chain by beginning of '24, as we have earlier said in our past con calls also, that the things are improving and we will be in the normalcy from beginning of financial year '24. The quarterly results the sales of Q3 FY '23 remained modest at INR 200 crores, up 2% as compared to INR 196 crores in Q3 FY '22.

Revenue growth for Q3 FY23 was subdued as supply chain issues for some semiconductors, which is coming to the normalcy, which is coming, which has already started coming to the normalcy, but everything takes some time to come to the normal status. Operating margins continue to remain under pressure on account of higher raw material costs and lower capacity utilization, but you will see that raw material prices are also reducing. From every quarter, you'll see that is in terms of percentage, it is getting down, so that shows that they are coming to a normal level. They are coming to a normalcy.

For Q3 FY '23, EBITDA stood at INR 20.5 crores, as compared to INR 20.9 crores in Q3 FY '22. Operating margins have remained subdued on account of higher raw material costs and lower capacity utilization.

Profit after tax stood at INR 12 crores in Q3 FY '23, as compared to INR 8 crores for Q3 FY '22, a growth of almost 42% on a year-on-year basis.

Coming to the order inflow. In January 2023, we have received a letter of award of INR 2,420.31 crores (net of taxes), for appointment of Advanced Metering Infrastructure Service Provider (AMISP) including design of AMI system with supply, installation and commissioning of 29.49 lakh smart prepaid meters, DT metering, HT & Feeder metering level energy accounting and FMS of these 29.49 lakh meters from state of Assam. As I earlier also told, that the total order book, after this order, stands at INR 4,099 crores (net of taxes).

In the current budget also, there is allocation of -- which was double, almost INR 12,000 crores, to improve the health of states of distribution utilities, also by tying 0.5% of their deficit to power sector reforms as an extension from last year. Continued fiscal support is an added incentive for the states to undertake power distribution reforms. These reforms will yield in the upgradation of the DISCOM network and metering, thereby curbing AT&C losses.

The scheme aims to reduce technical and commercial losses to pan-India levels of 12% to 15% by '24, '25 and eliminate cost-revenue gaps by '24, '25. REC and PFC have been nominated as nodal agencies for the scheme.

Smart meters enable consumers to learn about their consumption patterns while also assisting utilities with system monitoring and customer billing without the need for manual intervention. This can significantly reduce inefficiency in DISCOM's billing and collection and lead to significant operational improvements. As this scheme is going on and a lot of tenders are coming, a lot of state electricity boards are coming with a lot of tenders and all, we anticipate that robust order inflows will continue in FY '24.

I now welcome for the question-and-answers. We can open that.

Moderator: Our first question is from the line of Mohit Kumar from DAM Capital.

Mohit Kumar: Congratulations on the huge order book. Sir, first question is in general there has been a lot of tenders in the market. And we are seeing some of the tenders IntelliSmart, Prabha Energy have won the contracts, who do not have manufacturing capacity. Do we have some exclusive tie-ups with all these large players?

Jitendra Agarwal: So of course, all these AMISP players who are winning the big contracts, they do work with us as clients. Recently, we have got orders from IntelliSmart for supplying smart meters for their AMISP projects.

Mohit Kumar: How are you looking at some of the large opportunities because numbers are too huge for them, yes. Can we enter into some tie-ups where we have become a sole supplier by offering them some better terms?

Jitendra Agarwal: This relation is going to be a buyer seller relation because the customer is also not going for any long-term MoUs because they are also understanding the market more and more and getting into -- so the relationship is typical buyer and seller relationship. And we are receiving orders from all the AMISPs who are working currently in the market.

Mohit Kumar: So when you say that you are in Q4, you're looking to get large orders, you listed some large opportunities. Are we looking for AMISP? Or you're looking for -- to get these supply of meter tenders.

Jitendra Agarwal: So we are working on both. If you see our order book also, it is both - supply of meters and AMISP contracts. So it is not -- we as a company have an advantage of doing the smart meters and being the leader of smart meters in the country. So we have available in both the opportunities.

Mohit Kumar: Second question is, sir, how many tenders worth are open at this -- let's say, are in tendering mode right now. You can throw some light here.

Jitendra Agarwal: So under tendering, you want to look in more on the AMISP or both put together.

Mohit Kumar: Both put together, yes.

Jitendra Agarwal: So I'll just give it. This is a very subject which everybody would like to know. So in total as on date, we have participated in tenders, which are worth INR 27,000 crores. And these are tenders, some are of AMISP on the Totex model, and some are conventional meters, some are on the capex mode and some are on the opex model of only metering, billing and collection where there's no supply of meters. So these are the 4 ways, these tenders have been distributed.

Primarily there is RDSS tender worth INR 25,000 crores which we have participated in the states like -- states or the customers like BSES, Power Grid, Chhattisgarh, MP, Himachal, Assam and Andhra Pradesh. These are the live tenders going on worth INR 25,000 crores. These are all RDSS tenders. Our current conventional business is also on a very good traction. So we have currently participated in tenders worth INR 950 crores in the conventional meter tenders. Apart from these AMISP tenders, a lot of these companies, like EESL, Tata Power, Tripura Energy, there are many companies who are also buying smart meters on the capex mode. So we have participated tenders worth INR 1,050 crores in that capex mode.

And there is also a metering, billing, collection kind of tenders which we have participated which is worth INR 45 crores. So in total, INR 27,000 crores of tenders, we have participated. We'll be participating -- it is going to be -- but you have to understand one thing.

When we say live tender participated, there a lot of tenders as under AMISP. In AMISP, our strategy is not that we are bidding almost every opportunity. We have been very selective in that. And then there are tenders worth INR 49,000 crores which are to be participated, which is there, a lot of AMISP tenders that have come up from Maharashtra, Bihar, UP, Rajasthan, Goa,

Uttaranchal, Sikkim, almost all the north states, central states and eastern states have come out with the RDSS tender.

So that is what is going to be participated in next three months. And conventional tenders also, there are many tenders in the conventional meters which will be participating in the next one month.

Mohit Kumar: Sir, last question on my side. Sir, how do you see the revenues and margins in FY '24 given this large order book?

Jitendra Agarwal: So FY '24, we gave a guidance earlier also. We expect margins to become normal. And topline -- we are giving a guidance of INR 1,500 crores.

Mohit Kumar: Despite this large order book, sir.

Jitendra Agarwal: These are all AMISP tenders. And they take at least six to nine months to get into the groove where the multifold installation and SAP starts happening. So all these orders will take six to nine months to get into that groove of complete cycle.

Moderator: Our next question is from the line of Devendra Pandey: from DP Financial Advisory Services.

Devendra Pandey: So my first question is that, during the previous fiscal year, you had indicated that you have secured the semiconductor supply. So why we have experienced such a supply disruption in FY '23? And when do we anticipate the semiconductor supply to return to the normal?

Jitendra Agarwal: So as said by the Vice Chairman also, any disruption takes some time to get to normalcy. It is improving by the day. There is no second thoughts about it and you will see the improvement continues. Yes, it has taken a little more time because we were also expecting it to be much better than the current situation, but yes, it took more time, but it is getting better. It is improving every day. And future -- you will see quarter-on-quarter improvement.

Devendra Pandey: And given our strong order book, when can we expect the revenue traction to pick up?

Jitendra Agarwal: Every quarter, you will see an improvement.

Devendra Pandey: Okay, sir. And my last question would be on the outlook for FY '24, if you can provide the outlook in terms of our revenue as well as on our margin profile.

Jitendra Agarwal: On the margin profile, we will be back to our normalcy, on the margin profile. In the revenue guidance, what I'm giving currently is because the things will take some time to be on 100% normalcy, so INR 1,500 crores is the minimum guidance we can give you right now.

Moderator: Our next question is from the line of Subrata Sarkar: from Mount Intra Finance. There is no response from the line from this participant. We will move on to the next question, which is from the line of Isha Savla from Arya Securities

- Isha Savla:** So sir, first of all, I wanted to understand that, in the next 2 years, how much will the company have to invest in order to participate in an AMISP.
- Kailash Agarwal:** Sorry. Can you come again with your question? What do you want to ask...
- Isha Savla:** So just wanted to understand. How much will you have to invest in order to participate in an AMISP?
- Kailash Agarwal:** So we don't need any investment for participating in any tenders. These are just the bank guarantees or EMDs that is required for participation in tender of AMISP.
- Isha Savla:** And I just wanted to know. When will we be required to make any capex given the anticipated multifold increase in the size of smart metering industry...
- Kailash Agarwal:** Right now our manufacturing facilities and capacity are almost 10 million meters, so we don't see any major capex happening required for increasing the capacities for next two-three years.
- Moderator:** We will move on to the next question, which is from the line of Anshuman Ashit from ICICI Securities.
- Anshuman Ashit:** Sir, firstly, sir, there was a news today regarding cancellation of one of the orders which was awarded to Adani in UP. So were we a part of that order and -- sorry, a part of that bid? Can we please confirm on that?
- Jitendra Agarwal:** So it was not an order. It was a tender where Adani was L1. The tender has been dropped and the UP government has come back to the tender again. And we did not bid in that tender.
- Kailash Agarwal:** This was not awarded. It was just L1.
- Anshuman Ashit:** Sir, secondly, sir, just trying to understand on the semiconductor issue. So earlier during the year, you had guided that we had some -- so for the current year FY '23, we had booked some amount of semiconductors for our requirement. So has that not grown through yet? And how do we expect this to resolve in FY '24?
- Jitendra Agarwal:** Sorry. My line got disturbed. I could not hear you. Can you come back, please?
- Anshuman Ashit:** Yes. I'll repeat the question. Sir, on the semiconductor issue which we are still facing -- so we had guided initially that for FY '23 as well we had booked some quantity for our requirement. So has that not come in? How does things stand over there? And how do we ensure and resolve this issue going ahead in FY'24?
- Jitendra Agarwal:** We have, of course, long-lasting relation with the semiconductor companies. And they were taking a little more time. Yes, we had secured the supplies, but some were still disturbed. Even if you secure the supply, at the end of the day, you believe on the commitments of your suppliers. And they are all top companies of the world. So they took some time in getting back

to the normalcy, due to which these delays have happen. So it is improving by the day, as I said earlier. Every quarter, you will see the improvement.

Anshuman Ashit: And sir, is -- are we sourcing from China and Taiwan specifically or are there other geographies as well from where we are sourcing these semiconductors?

Jitendra Agarwal: My phone is having some trouble. Can you repeat?

Anshuman Ashit: So the sourcing which we are doing for these semiconductors, is it limited only from China and Taiwan or are there other countries as well from where we can source and we are in discussions?

Jitendra Agarwal: China manufacturers, very, very low amount of semiconductors. So this is not a China story. This is a word wide shortage, which was due to COVID and multiple reasons. It is getting improved by the day. So they're all conglomerates of the world. The largest semiconductor manufacturing happens in Taiwan, South Korea and Japan, and in other parts of the world also. So it is improving by the day. It has nothing to do with China -- not majorly to do with China.

Anshuman Ashit: So congratulations on this order, the large order that we have received. It's very heartening to see this coming in and at a crucial time, sir. So sir, this is only from the state of Assam or are there multiple DISCOMs that have...

Jitendra Agarwal: The state of Assam.

Anshuman Ashit: Only from Assam?

Jitendra Agarwal: Yes.

Anshuman Ashit: And sir, when can we expect the implementation to start?

Jitendra Agarwal: So implementation phase, it starts from after four to five months, installation will start.

Anshuman Ashit: Okay. And sir, on our Bihar project. So, I mean, can you please give us some details on the status where we stand currently?

Jitendra Agarwal: So status of Bihar, SAT (Site Acceptance Test) has been done successfully, that is completed. So now we will be going live, maximum, within February. So we'll be installing first 10,000 meters. And then mass rollout will happen from last week of February or first week of March. So we are well within the stipulated time. And we are working very closely with the customer and it is absolutely on the right track.

Anshuman Ashit: So I believe the milestone are at every 5% of implementation of meters. So with every 10,000 meters -- sorry. Every 50,000 meters, you will get the revenue. Is that understanding right?

Jitendra Agarwal: So we will go live after first 10,000. And then it is every 5% the revenue will start.

Anshuman Ashit: So can we expect revenue inflow from this project in Q4?

- Jitendra Agarwal:** Yes. Some revenue inflow will happen from this project.
- Anshuman Ashit:** And sir, one final question, sir. Where do we stand in terms of the restructuring? And by when should we expect it to be completed?
- Kailash Agarwal:** I think it will happen in this financial year itself. I mean it is, I think, at the last date NCLT. So I don't remember exactly the date, but it is, I think, Feb itself or first week of March. And we are very hopeful for that, we will be getting the orders.
- Anshuman Ashit:** Is it just that the date is getting extended, or is there any other reason?
- Kailash Agarwal:** Yes, that's the only thing that will -- the shortage at the NCLT level and that is, last two or three months, we are just getting the date.
- Moderator:** Our next question is from the line of Subrata Sarkar from Mount Intra Finance.
- Subrata Sarkar:** Yes. Sir, my first question, on the AMISP business model. Sir, let's say with our existing balance sheet what kind of total AMISP order we can take, sir? And if you help us to understand also like what is the business dynamics of that? Like for -- let's say for the order which we have got INR 4,000 crores. Like how much will be our capital requirement? And how much debt we have to raise. And like what is the execution period? If you could explain the business model from a capex side as well as profitability side?
- Kailash Agarwal:** Basically here you have to understand one thing that company has given a guidance earlier also that company will not be going for too much of leverages and all. So basically, on the basis of that, because different tenders have different payment and advanced conditions and all. Like Bihar, we had an advance of almost 13% of. So basically, on that and seeing our balance sheet strength only, we will be participating in the AMISP tenders or taking the meters orders from the different AMISP providers. So, it's very clear in our mind that we won't be leveraging our balance sheet too much on that.
- And regarding the execution, it is for the 27 months. It's a time - of 27 months. And the capex - - and there is a condition that, after every 5%, your revenue starts coming. So basically, that way, after every 5%, we start supplying or we start putting and doing the installation of. We get -- we start getting revenue. The total completion cycle is almost 27 months. But we are very sure that we won't be leveraging our balance sheet too much. And only, by balancing that, we will be going for AMISP or supply of meters only.
- Subrata Sarkar:** So in that case, sir, for this order only, let's assume, sir. How much our own capital will be required to execute this order, giving all those conditions and 5% kind of a milestone payment we'll be getting, what is our estimate, sir, how much capital will be required for this?
- Kailash Agarwal:** Almost 40%.
- Subrata Sarkar:** Almost 40% of...

- Kailash Agarwal:** Of the order size in next 27 months.
- Subrata Sarkar:** So if it's INR 4,000 crores order, almost we will be requiring like INR 1,600 crores of...
- Kailash Agarwal:** All AMISP. For about INR 4,000 crores, all is AMISP. Whatever is the AMISP for that, capital requirement of 40% will be required.
- Subrata Sarkar:** Sir, can we know, like out of this, how much is AMISP?
- Kailash Agarwal:** It must be around INR 3,200 crores.
- Subrata Sarkar:** So 40% of INR 3,200 crores. Is it clear understanding, sir?
- Kailash Agarwal:** Yes.
- Subrata Sarkar:** So this is one side. My second question is, sir, on our existing capacity side. Right now we are operating at a much lower capacity. So from, sir -- as you explained, like there is a huge tender which is there potentially delivered. So from an existing capacity side, like how much we can execute, sir. Any idea on that? May not be exact number but like how much we can go in terms of capacity utilization, sir?
- Jitendra Agarwal:** So capacity utilization will improve every quarter. And we can do 10 million meters annually. This capacity utilization will improve from second quarter onwards. It will reach to a normal level of pre COVID.
- Subrata Sarkar:** No, sir, I'm just trying to understand what can -- maximum we can go. So maximum, we can go to...
- Jitendra Agarwal:** We can go up to 10 million meters...
- Subrata Sarkar:** 10 million meters.
- Jitendra Agarwal:** That's the whole capacity.
- Subrata Sarkar:** And sir, lastly, although we have discussed, sir. Like we don't think, sir, like huge order book or tendering which is taking place vis-a-vis, sir, still there is some constraint on the semiconductor side. So we think we can navigate that semiconductor issue, sir, but that will not act as actual constraint for us to getting an order from -- only from a semiconductor side, sir.
- Jitendra Agarwal:** It should not. We have seen the normalcy happening very, very fast. And we are confident that, from next quarter onwards, the things should be pretty normal.
- Moderator:** The next question is from the line of Akshay Kothari from Envision Capital.
- Akshay Kothari:** Sir, first of all, do we foresee any improvement in our working capital segment or debtor days?

- Kailash Agarwal:** It will surely be improving because now most of the business is coming by AMISP way, where no working capital cycle is required. You need a capex and then that will be coming on the monthly basis and all. And secondly, most of the meters supplied will be supplied to the other AMISP holders. So basically their payment terms are always better. And we will be working in some cases in advance also. So our working capital cycle, mainly there will be very lesser business directly with electricity boards and all of the distribution companies. So our working capital cycle will surely improve after that.
- Akshay Kothari:** Currently I think our debtor days are around 6 months, so...
- Kailash Agarwal:** Our total working capital cycle right now is almost around 200, 210 days. And it will surely be improved.
- Akshay Kothari:** So by how much it can improve. Any...
- Kailash Agarwal:** It can improve by 20%, for sure, 20% to 25%.
- Akshay Kothari:** 20% to 25%, reduction okay. And I just want to -- largely be on account of reduction in debtor days.
- Kailash Agarwal:** Yes, mainly on the debtor days only.
- Akshay Kothari:** And sir, does the management have any guidance for any ROE? Because what I can see is we have some investments in corporate bonds, which is okay. You have also invested in equity shares of some companies. Now on one hand, we have borrowings. On other hand, we are investing in stock market, so...
- Kailash Agarwal:** We are not borrowing anything right now. We are a net debt company. If we require to borrow, then we will bring out our treasury funds. For sure, we will not be keeping our treasury funds in that. And secondly, the type of business we are in, we need some cash balances with the balance sheet always.
- You don't know what type of -- because we are dealing with the customers like electricity boards and all, so sometimes the cash can -- so that's the strategy of the company, to keep some cash, liquid cash at the balance sheet. It's a type of liquid only we can immediately get our funds and all. And secondly, right now we don't require any debt. We are not increasing any debt since last so many years. It is rather decreasing. So whenever the company requires the money, it's the company's money only. And it can come back from treasury anytime.
- Akshay Kothari:** So even the short-term borrowings, we won't fund through our own money. We would have -- keep on taking borrowings, right? For funding the working capital, we will have to take borrowings.
- Kailash Agarwal:** Right now, as I told you, we are not taking any borrowings. And I don't, we don't see also right now any requirement of borrowings.

- Akshay Kothari:** As on September, there was INR 243 crores of short-term borrowings.
- Kailash Agarwal:** So that's basically continue -- that is reducing last 2, 3 years. You see that it is at the same level or at the reduced level.
- Akshay Kothari:** And does the management have any ROE guidance?
- Kailash Agarwal:** Basically now the numbers are improving on that. You will see a better ROE, surely, in the coming years.
- Akshay Kothari:** And sir, I just missed that part. What would be the order execution cycle of this order book, INR 4,000 crores order book?
- Jitendra Agarwal:** All these AMISP tenders have an installation period of 24 to 27 months. And then for 8 years you have to do the O&M
- Akshay Kothari:** So 24 to 27 months would represent what percentage of the order book?
- Jitendra Agarwal:** 24 to 27 months will represent almost 50% of our order book because all the supply, installation will be done by that.
- Akshay Kothari:** And O&M, what is the order book, 8 years one?
- Jitendra Agarwal:** By AMISP -- what we have to understand is, by AMISP, business happens in the way where we are given some money in advance or during installation. And the major money comes as rental income per meter per month.
- Akshay Kothari:** So this order book does not include that...
- Jitendra Agarwal:** It does include, it's the complete amount.
- Akshay Kothari:** I'm just asking out of that INR 3,200 crores, do we have some breakup quantification or there is no breakup?
- Jitendra Agarwal:** We have a -- breakup in what sense?
- Akshay Kothari:** How much is the O&M part?
- Jitendra Agarwal:** So when you say INR 3,200 crores, you have to understand one is how the execution will happen. You don't get the money from the customer and O&M, it's like this is the O&M we are doing, you will get per meter per month like this. It's not that. It is designed, financed, built, own, operate and transfer. This is the whole process of AMISP.
- So when we have taken an AMISP order, we will have to finance and do the supply and installation. During the supply and installation, some portion of the money -- like in case Bihar, they are giving us 30% money. In case of Assam, they are giving us 15% money. And

the remaining is per meter per month. Whether you call it O&M, whether you call it -- whatever you call it, this is how the revenue is going to happen.

Akshay Kothari: And the remaining is essentially over a period of 8 years, right?

Jitendra Agarwal: Over a period of 8 years. So this is like 90 full installments.

Kailash Agarwal: Here you have to understand that basically the 50% of the total order value will be -- almost 50% will be completed in the next 24 to 27 months, where the thing is to complete the installation and supply of meters. So that 50% will be revenue, will come as a revenue in the books of the -- but that -- that will be coming in installments, monthly installments. So there are 2 things: the revenue and the payment. So the money, this is where the company will invest, put the infrastructure, put the meters, do the installation. And that money will be coming on monthly basis from electricity board in the next 8 years, with maintenance to be done by the company.

Akshay Kothari: Okay.

Kailash Agarwal: So 50% is that. 50% is that. Put together, 100% will be coming in 8 years.

Akshay Kothari: Understood, sir. Lastly, I was reading today in the newspaper, there are some quality control orders. And in that, smart meters are also included. So is this any beneficial news for the company? Or is it that already we are the bigger players so we don't need to...

Jitendra Agarwal: So I don't know which particular news item you are talking about, so I can't comment on that. If it has anything to do with the quality of the product, it's always good for companies like us. And more and more consumer awareness or the customer awareness, will surely help the cause for the companies like us and the overall cause of them.

Akshay Kothari: Sir, do we also export?

Jitendra Agarwal: Yes, we do.

Akshay Kothari: What is the export as a percentage of revenue?

Jitendra Agarwal: So for this financial year, the percentage will be fairly good. So exact percentage, I'm not in a position to tell you right now, but it is in -- closer to 10%.

Moderator: Our next question is from the line of Suraj Nawandhar from Sampada Investments.

Suraj Nawandhar: Sir, my first question is that we had a bit of higher other income this quarter, around INR 21 crores. What is it regarding?

Kailash Agarwal: Sorry?

Suraj Nawandhar: We had higher other income, sir, this quarter, INR 21 crores.

Kailash Agarwal: This is basically a notional income only. You are seeing in consolidated, not standalone. In standalone, if you see, it's other income of INR 8.21 crores only. The other income INR 21 lakhs is in consolidated. That is actually a notional number on the valuation of the bonds and other securities we are having. That reduces -- that's a fair valuation of those securities. So that is an increase in that only. It's not an absolute actual number.

Suraj Nawandhar: And sir, around a month back, we had created a couple of subsidiaries. And we were also looking out for partners for these new orders, is there any development on that? Have you shortlisted or are we in talks with someone? And what sort of tie-ups are we looking at, very strategic tie-up or just a financial partner who can fund such a large orders for AMISP where we'll need to put in at least 50% of the amount will be blocked for a long period of time, so is it a strategic tie-up or just a financing sort of a tie-up? Are we in talks with someone?

Kailash Agarwal: We are already exploring many permutation and combinations on this. And we'll let the investors know once something concrete will happen, we'll surely inform them. Right now we are exploring all the opportunities, whatever is possible for the company.

Moderator: Our next question is from the line of Garvit Goyal from NVest Research.

Garvit Goyal: Sir, my question is on the return on capital employment side. Your ROCE is at a single digit at lower two-digit side basically, so -- but you are having a market share of around 27%, 30% in electric meters. And that is pretty high in smart meters as well. So I want to just understand what is the reason we don't have any decent ROCE levels, sir? And going forward, how you are looking at this.

Kailash Agarwal: So basically, when we talk about ROCE, we have two things we have to understand; one, that working capital cycle of the business is very long. And due to last two years or three years of COVID, that has also increased very badly. So now it is improving, and in the coming years, we will surely see -- as we were talking like there will be a reduction in working capital cycles also. So there will be a reduction in -- surely, in capital employed also. So we surely see that there will be a very good improvement in the ROCE, for sure. It was bad due to COVID years. The cycle went very long in the last two, three years.

Moderator: Our next question is from the line of Nikhil Jain from Galaxy International. Sir, I'm sorry. We cannot hear you very clearly. Can you please come closer to the phone?

Nikhil Jain I'm very close. Okay, will try again. Are you able to hear me now?

Kailash Agarwal: Yes, better. Yes, it's better. Please...

Nikhil Jain I just wanted to ask -- congratulate the management on getting the two AMISP deals, which are worth INR 3,400 crores, in the last two quarters. So that's a great performance. Just wanted to get a sense of what's the kind of, let's say, IRR expectation that management may have from these AMISP deals that we are kind of getting and grabbing. So that is question number one, yes...

- Jitendra Agarwal:** That is business confidential. I'm sorry. I cannot reveal that.
- Kailash Agarwal:** Already a lot of tenders are going on and...
- Jitendra Agarwal:** Please, okay, it's a business confidential.
- Nikhil Jain** What I was saying was that out of these...
- Kailash Agarwal:** Jain, your voice is breaking.
- Moderator:** I'm very sorry. We cannot hear you, sir. Maybe you can take your questions off-line. Ladies and gentlemen, we will take that as the last question. I now hand the conference over to Mr. Kailash Agarwal for closing comments. Please go ahead, sir.
- Kailash Agarwal:** Thank you all, all. Ladies and gentlemen. The company is sitting on a very good order book. The only thing you could not see the execution in last few quarters, but we assure you that, now that the days are over and we will be executing very well. And the things are improving very well. And you will see -- start seeing good numbers in coming quarters and all. And a lot more is to -- going to happen as a lot of tenders and a lot of things are happening at the ground level. We assure you that the company will be doing very good.
- Thank you very much for your time and all. Thanks a lot.
- Jitendra Agarwal:** Thank you, everybody. Have a good day. Thank you.
- Moderator:** Thank you very much, members of the management team. Ladies and gentlemen, on behalf of Genus Power Infrastructures Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.