



“Genus Power Infrastructures Limited  
Q1 FY ‘25 Earnings Conference Call”  
July 31, 2024

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 31<sup>st</sup> July 2024 will prevail.



**MANAGEMENT: MR. KAILASH AGARWAL – VICE CHAIRMAN  
MR. JITENDRA AGARWAL – JOINT MANAGING  
DIRECTOR**

**ANALYST: MR. ABHIJEET PUROHIT – KAVIRAJ SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q1 FY '25 Earnings Conference Call of Genus Power Infrastructures Limited hosted by Kaviraj Securities.

As a reminder all participants line will be in a listen-only mode. And there will be 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 then zero on your touchtone phone. Please note that this conference is being recorded. Please note this conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Abhijeet Purohit from Kaviraj Securities. Thank you, and over to you. Thank you.

**Abhijeet Purohit:** Thank you. Good evening, everyone. Kaviraj Securities Private Limited, welcomes you all for Q1 FY '25 Earnings Conference Call of Genus Power Infrastructures Limited. Today on the call, we have with us the management team comprising of Mr. Kailash Agarwal, Vice Chairman; and Mr. Jitendra Agarwal, Joint Managing Director.

Now without any further delays, I would hand over the call to Mr. Kailash Agarwal for his opening remarks, post which we will open the floor for Q&A session. Thank you, and over to you, sir.

**Kailash Agarwal:** Thank you, Abhijeet. Good evening, ladies and gentlemen. A very warm welcome to the Q1 FY '25 earnings call of Genus Power. The results and Press Release are uploaded on the stock exchange and company website. I hope everybody has a chance to look at it.

Our revenue stood at INR414 crores, representing a 59% increase compared to INR261 crores in Q1 FY '24. This growth was driven by strong execution in our smart metering segment despite typical seasonal variance and operational delays due to general elections.

We saw a significant improvement in our gross profit margins, which increased to 44.4% from 34.6% in Q1 FY '24. This was primarily due to better procurement efficiencies and stable raw material prices.

I would like to highlight that in previous quarters, many of our newly initiated projects experienced significant start-up costs, which initially led to subdued gross profit margins. However, as these projects advanced to more mature stages in Q1 FY '25, we observed a considerable improvement in our gross margin profile. Looking forward, we expect some variability in gross margins across quarters, influenced by the execution time lines of the project.

Our EBITDA for Q1 FY '25 was INR63 crores, up 121% compared to INR29 crores in Q1 FY '24. The EBITDA margin improved by 431 basis points to 15.3%, driven by our focus on optimizing operational efficiencies and effective cost management. This is in spite of the rise

in employee and other expenses due to our ongoing efforts to expand our workforce and enhance our systems in anticipation of fulfilling the substantial order book we have secured.

Our PAT stood at INR42 crores, an increase of 120% compared to INR19 crores in Q1 FY '24. This growth was supported by higher operating income and improved cost management.

As on 30th June 2024, our total order book, including all SPVs and GIC platform stands at about INR21,458 crores (net of taxes), and these concessions are for 8 years to 10 years. Our robust order book positions us well for sustained growth in the coming quarter. We expect full-scale execution to ramp up from Q3 FY'25 onwards.

We are optimistic about achieving our stated revenue target of approximately INR2,500 crores for FY '25 with an expected EBITDA margins of about 15% to 16%.

We are well equipped to address potential challenges related to large-scale execution of projects and also to effectively managing cost and meeting financing requirements. We are also actively investing in expanding our workforce and enhancing our systems to effectively support the execution of our significant order book. These investments are essential for preserving our competitive advantage and ensuring prompt project completion.

We have also been receiving a significant number of inquiries from third-party Advanced Metering Infrastructure Service Providers (AMISPs) for smart meters. Although we have received a Letters of Intent (LOI) from them, we do not publicly announce the same on account of our company policy, which does not consider LOIs as part of active order book.

In addition to our core business in smart electricity meters, we are expanding our offerings to include smart water management solutions. We recently launched Smart Ultrasonic Water Meter DN20 in Australia, leveraging advanced LoRa communication technology for enhanced remote monitoring and efficient water usage. This strategic move diversifies our offerings and addresses the global demand for intelligent water management solutions. We are exploring new opportunities in gas and water metering markets, both domestically and internationally.

Overall, financial year '25 holds great potential for us, as we capitalize on our robust order book, strategic partnerships and strong market position to drive substantial growth. We are confident in the company's future prospects, fueled by our dedication to operational excellence, innovation and sustainable growth.

I now request to open the line for Q&A.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:** The first question is how many circles have gone live among the order we have won. And the related question is how many circles you achieved financial closure?

**Jitendra Agarwal:** Yes. So currently, if you see, we are live in all the four projects of Assam, for all the four circles of Assam has gone live. We have already started execution in North Bihar, and we have

already started execution in the couple of packages in Chattisgarh. And for the high-end metering, we have for ST meters and DT meters, we are already -- project has been started in Maharashtra and UP both. So almost all the projects are under execution now. If you say go live, Go-live is achieved in South Bihar and Assam only and execution phase has already started in North Bihar, in Maharashtra and UP Bihar.

**Mohit Kumar:** Understood, sir.

**Kailash Agarwal:** So almost, you can say like that almost 7 - 8 circles has already been live and regarding the financial closure, the company has nothing to do with the financial closure because it has a back-to-back with the Platform which the company has made with GIC. So, the all-financial closure has to be made by the GIC. And I think out of these circles, a lot of circles have been already closed by the GIC for the financial closure.

**Mohit Kumar:** It possible to...

**Kailash Agarwal:** That Platform. Yes.

**Mohit Kumar:** On the -- is it possible to talk about some Platforms on how much money has infused...

**Kailash Agarwal:** Mohit, can you please speak little bit louder, a little please.

**Mohit Kumar:** Is it better now. My question was -- is it possible to talk about the Platform in the sense, how much money has been infused in the Platform till date?

**Kailash Agarwal:** That will be really because that number will be really, we don't have those numbers, and it will be really difficult to discuss. On here we can talk about Genus Power the listed company.

**Mohit Kumar:** Okay, I thought that is a associate company, that is the reason I'm asking. My second question is on the tender pipeline. Which are the tenders that will get opened in the next four to six months?

**Jitendra Agarwal:** Currently, the tender pipeline is not very healthy because there are two stages of the tender, there are many tenders which have been quoted under either they will open up or they have opened up or the discussions are going on. But tenders to be quoted, a couple of tenders in Gujarat, one in Goa and a few tenders in Haryana. These are the three tenders, I would say, are in pipeline.

**Mohit Kumar:** Understood, sir. Thanks, and all the best, sir. Thank you.

**Moderator:** Thank you. The next question is from the line of Rishabh Gang from Sacheti Family Office. Please go ahead.

**Rishabh Gang:** Sir, actually, I wanted to understand, like there are 25 crores smart meters to be installed, right? So, I just want to get an overall view of how many have been awarded till date across the country to all the players. How many are in the process of being ordered like in pipeline? And how many are yet to be announced?

**Jitendra Agarwal:** I can give you a very broad-based number that almost 11 crores meters has been decided, almost four crores meters are under different stages, they have been quoted to have been in under negotiations, few tenders are under evaluation. So, I would say -- I would rate them in the quoted category. So that is around four crores to five crores meters. And almost 1.785 crores meter to be quoted in the next couple of months.

So this is a stage right now and remaining some of the states like Telangana, states like Karnataka, Kerala, a lot of numbers are left in the West Bengal. So, they have not come out with a tenders yet. -- So you can categorize this 25 crores into four, 11 crores almost are already decided, four crores are already quoted, two crores tenders are out, will be quoted and remaining tenders have not come out.

**Rishabh Gang:** The majority to be renewed.

**Jitendra Agarwal:** I could not hear you. I'm sorry, your voice is cracking up.

**Moderator:** Mr. Rishabh, your voice is cracking. So, can you keep the device stable?

**Rishabh Gang:** Yes. Got it. Is it better now?

**Moderator:** Mr. Rishabh, your voice is cracking. Can we request you to reconnect again in the conference. Thank you very much. The next question will be from the line of Darshil Pandya from Finterest Capital. Please go ahead.

**Darshil Pandya:** Sir, what would be the interest cost and debt position as on date of the company?

**Kailash Agarwal:** Sorry?

**Jitendra Agarwal:** Interest cost and debt position of the company as on date?

**Kailash Agarwal:** So, interest cost is around 9% broadly. And total debt position will be around -- you can -- if it take as a net debt, it will be on 0.

**Darshil Pandya:** Okay. Net debt would be 0. That's what do you say?

**Kailash Agarwal:** Yes.

**Darshil Pandya:** What would the gross debt?

**Kailash Agarwal:** Gross debt will be around INR400 crores.

**Darshil Pandya:** INR400 crores. And are we taking any steps to reduce it because now at this quarter, we are at somewhere the highest interest payment that we have in the quarter-wise...

**Kailash Agarwal:** The gross debt will be increasing.

**Darshil Pandya:** Any ballpark number that you can give?

- Kailash Agarwal:** Depending on the numbers, whatever the number comes because the company is expecting a revenue of INR2,500 crores this year and then the further for the next few years also - seeing the order book, so there will be an increase in gross debt for sure.
- Darshil Pandya:** So, for -- in this scenario, then do we anticipate a fund raise or something coming up in the near future?
- Kailash Agarwal:** No, no fund raise. It will be through the debt only.
- Darshil Pandya:** Through debt only. And the second question would be, do we anticipate this Q2 to be similar as Q1 is that we are seeing as of now and H2 to be a very heavy quarter?
- Jitendra Agarwal:** So Q2 will be similar to Q1 in terms of execution because Q2 - generally this period, first two quarters are always not as good as the last two quarters as we have said in the earnings in the initial statement also because of the monsoon, the projects always under different speed.
- Darshil Pandya:** Okay. So majority, H2 will be the time that we execute more.
- Jitendra Agarwal:** H2, we will definitely have far better numbers than H1.
- Darshil Pandya:** And one final question, sir. Do we anticipate any order inflow for this year the numbers that you are saying, we might get these orders?
- Jitendra Agarwal:** Yes, we have quoted tenders, and we are positive of receiving orders from those.
- Darshil Pandya:** Okay. Any guidance for FY '26?
- Jitendra Agarwal:** Not right now.
- Darshil Pandya:** All right, sir. Thank you so. Much appreciated. Thank you so much.
- Moderator:** Thank you very much. The next question will be from the line of Neil Ostwal from Bajaj Finserv. Please go ahead.
- Neil Ostwal:** Hi, sir. Congratulations on a great set of numbers. Sir, there were some news reports that --
- Kailash Agarwal:** Can you be a little louder, please?
- Neil Ostwal:** Sir, there was some news reports that the Maharashtra government has put some residential meter orders on hold. So, we also have exposure to Maharashtra orders. So, do we see any -- are we seeing any impact? Or do we anticipate any impact from such a decision? Or are we aware of anything happening on ground?
- Jitendra Agarwal:** Look, absolutely we are aware of what is happening on the ground. So just to reply on that - if you see the projects, all these projects initially, we have to do the system metering; all the HT (15.52) meters, LTCT meters and the DT meter has to be installed. If you see the overall RDSS projects, they have to be implemented in this phase. Maharashtra has been more particular, okay, we want you be focus initially on the commercial meters, all the HT, LT

(16.10) and DT meters and also on the government connections. And later on, you go for the consumer metering in a bulk number. So, there will be a little bit of impact in terms of speed in the initial days. But otherwise, it doesn't have any impact in the longer run. And except Maharashtra, nobody else in the country has gone for such kind of message.

**Neil Ostwal:** Understood, sir. And sir, would it be possible to quantify this impact in terms of number of meters, maybe.

**Jitendra Agarwal:** So, we have around 1.8 million single-size meters to be installed in Maharashtra. Originally you also -- we would have started only by the month of October-November. So as such, I don't see a major impact on the Genus planning due to it. Any which way all the projects initially has to be started with the system metering and DT metering.

**Neil Ostwal:** Understood, sir. Helpful. Thank you, sir.

**Jitendra Agarwal:** Thank you.

**Moderator:** Thank you very much. The next question is from the line of Chandresh Malpani from Niveshaay Investment Advisors. Please go ahead.

**Chandresh Malpani:** Yes. Sir, firstly, I want to understand our working capital days. So, since we are moving from supplying to Discoms and now to AMISPs, so what are our working capital days?

**Kailash Agarwal:** So finally, once the projects will be in a proper shape and everything has been properly done, the working capital cycle will reduced drastically. And we hope there will be a working capital cycle of almost 140 days, but right now, as we are in a position of starting the projects. We are just in the initial stage of starting the project. And the projects have to go live. So initially, that takes some longer time. So right now, the working capital cycle is a little on the higher side. But finally, it will be at a level of 140 days around.

**Chandresh Malpani:** And sir, secondly, we were L1 in about INR11,000 crores worth of orders in last quarter. So, any update on that?

**Jitendra Agarwal:** There's no immediate update, negotiations are going on. So, we have -- the process is going on I would say.

**Chandresh Malpani:** We are still L1.

**Jitendra Agarwal:** Once declared L1 is there first. So that is not a guarantee of the business, we are following the process of the tender.

**Chandresh Malpani:** Okay. And sir, lastly, we see that on India level, the execution run rate, monthly run rate is 6 lakhs to 8 lakhs. So, sir, what would be Genus market share in those installations?

**Jitendra Agarwal:** Can you repeat, monthly, what?

**Chandresh Malpani:** So as per government data, the monthly installation trend is that India is installing 6 lakh to 7 lakhs meters a month.

- Jitendra Agarwal:** Okay.
- Chandresh Malpani:** So just trying to understand what would be Genus's market share?
- Jitendra Agarwal:** So, in terms of installation of meters?
- Chandresh Malpani:** Yes, sir.
- Jitendra Agarwal:** Currently, if you see we are installing around 2 to 3 lakh meters every month, and the government data is more on the once it goes live. So, there are a lot of meters which are getting installed, and they take some time in going live, 45 days to 60 days. That is why that mismatch of data will always be there. I would recommend all my friends from the investor community, not to follow that, it will only confuse you.
- Chandresh Malpani:** Okay. Got it.
- Jitendra Agarwal:** There is a gap between going live and installation.
- Chandresh Malpani:** Okay. The two to three lakhs would be the current figure for the year.
- Jitendra Agarwal:** Yes, currently right now. Yes.
- Chandresh Malpani:** Okay. Thank you, sir.
- Moderator:** Thank you very much. The next question is from the line of Nikhil Abhyankar from ICICI Securities. Please go ahead.
- Nikhil Abhyankar:** Thank you, sir and congrats on a good set of numbers. Sir, during the pipeline, you did not mention Tamil Nadu, so are we not expecting any tender from Tamil Nadu this year?
- Jitendra Agarwal:** Tamil Nadu tenders came long back, and Genus did not quoted in those tenders. So that is why we don't see them as our pipeline, as an AMISP. Definitely, once they get decided, we see them as a meter manufacturer as an opportunity.
- Nikhil Abhyankar:** Right. And sir, since most of our contracts are fixed price, how are we actually protecting ourselves from any adverse price movement?
- Jitendra Agarwal:** Generally, historically, if you'll see the business Genus has been -- is always a fixed price contract. In earlier contracts, which we have been doing for the last two decades, all our meter supply contracts are never less than 12 months to 18 months, sometimes up to 24 months.
- So if you will see most of our work will happen in 27 months, all the supply and installation has to happen in the first two years from the date that contract is signed. So we follow the same process of whatever the safety, we used to do when we were supplying meters, we are following the same process in our experience of 20 - 25 years in metering industry, we have not seen any major impact to it. Even during the COVID, we did not see any major impact due to it.



- Nikhil Abhyankar:** Okay. And sir, on the equity infusion of around INR1,700 crores in the platform, so do we have any schedule or it? How much will be this year and how much will be next year?
- Kailash Agarwal:** So that is next this equity infusion will be around next three to four years.
- Nikhil Abhyankar:** Right.
- Kailash Agarwal:** So, this year, I think it will be hardly 20% or 25% of that.
- Nikhil Abhyankar:** 20%, 25% of that. So, will it be purely from debt?
- Kailash Agarwal:** It will be not be purely from the debt. It is already company is sitting on a cash of almost INR500 crores - INR600 crores.
- Nikhil Abhyankar:** Okay. And sir, just a final question, so can you give us the number as to how many meters have we supplied in Q1? And did we book any O&M revenue for this quarter?
- Jitendra Agarwal:** Right now, I don't have the number of meters supplied. So, I don't want to comment on that. Yes, for O&M, in Assam, since we have already gone live, so almost 80,000 to 90,000 meters are already live, so O&M revenue has started flowing in.
- Kailash Agarwal:** But that's a very small number.
- Jitendra Agarwal:** And that's a very small number.
- Nikhil Abhyankar:** Okay. Understood. Thank you and all the best.
- Jitendra Agarwal:** Thank you.
- Moderator:** Thank you. The next question will be from the line of Srijan Sinha from Future General Life Insurance. Please go ahead.
- Srijan Sinha:** Sir just wanted to understand a bit on the gross margin part, I mean, as the other participant was talking about, there has been significant increase in the gross margin over the last couple of quarters. Is it only because of the procurement efficiencies and stable raw material pricing? Or is it also flowing in, because you have started booking some bit of O&M revenues or the annuity revenues.
- Jitendra Agarwal:** See, it is not a because of O&M revenue that is very, very clear. It is basically because of the efficiencies and once the quantum is increasing, it is getting better.
- Srijan Sinha:** Okay. So, I mean, on the O&M part of the business, let's say, two years, three years out when it becomes fairly large. On the O&M part, how big would be the gross margin? How much can we make on that?
- Jitendra Agarwal:** It will be earlier also, we have always maintained it will be quite similar, a bit better from supply. Because the thing that we all have to understand in these -- in the business of AMISP, the meters which we are installing right now which go live, let's say, 45 to 60 days as per the

process. Immediately, the O&M starts. It's not that O&M will start after 20 months, or 27 months of the installation is completed. So, the meters, which like I was saying 90,000 meters are already under O&M in Assam. So, these bidders have already gone live, and they are already under O&M. So, O&M revenue has started following in, So it is very different. It is not an AMC kind of a business that we have installed the equipment and now O&M is the AMC revenue. Here, the O&M revenue starts immediately once the meter is installed.

**Srijan Sinha:** I understand that, sir. I mean from a margin perspective; would that be lets say...

**Jitendra Agarwal:** That is why I'm saying the margin-wise also, it will be almost similar or a bit better once you get into a stage where the only O&M is happening, let's say, three years down the line, we have 40 million, 50 million meters under O&M, so a bit better, but not any significant change.

**Kailash Agarwal:** Once the scale will come in annuity. Once the scale will come. So that -- there will be certainly a benefit of scale in O&M also.

**Srijan Sinha:** And sir, I'm trying to understand if you would let say, you get INR50 per meter per month, what would be the typical cost involved in that? Because in my understanding, a lot of that should be flowing directly to EBITDA.

**Kailash Agarwal:** That's fine Srijan. It's very difficult to give you the numbers on that. That will be a little -- we normally give the total numbers only. We don't give it separately on O&M or whatever the supplies are there because that also is a little confidential always so that how we work, how we participate in our tenders and all.

**Srijan Sinha:** Okay. Fair enough, sir. Sir, my second question is, except the Rajasthan order that we are L1 in, is there any other order where we are L1, what is our current L1 position ex of Rajasthan?

**Jitendra Agarwal:** Except Rajasthan, we are L1 in one of the reverse auctions, but they are not yet declared. So, I would say it's beyond Rajasthan there's one project in Punjab, where we are L1 after the reverse auction, but everything is under process ...

**Srijan Sinha:** And how big would that be?

**Jitendra Agarwal:** Hello.

**Srijan Sinha:** How big would that be?

**Jitendra Agarwal:** That is around 1.8 million meter.

**Srijan Sinha:** 1.8 million meters. Okay. And sir, I mean, you also talked about the LOI from other AMISPs. That is not yet in your current live order book. Again, any sense on the size of that or size of that opportunity.

**Jitendra Agarwal:** Just to give you the idea. As I think also ask this question when line got disconnected. Currently, in our total order book, we have -- what we differentiate our orders between LOI

and confirmed Pos - but from different AMISPs, we have a confirmed purchase orders of almost INR1,500 crores as on date. So, when I say this order book of INR21,500-odd order book, it includes the confirmed POs. And we have LOI worth INR700 crores, INR800 crores further from these AMISP, which we never include in our confirmed PO.

**Srijan Sinha:** Okay. Fair enough.

**Jitendra Agarwal:** So that is how we differentiate as a company because has been the practice always. LOIs are never taken a part of confirmed order book.

**Srijan Sinha:** Okay. Fair enough. Sir, my final question is on the revenue guidance that you have given for this year. Since you are saying that Q2 will broadly be in line with Q1, the asking rate for H2 is very, very high. I mean, mathematically, that was to, let's say, INR850 crores per quarter for -- Q3 and Q4. Are we looking at a 4-digit number by the end of this year? So is the exit rate going to be closer to the four digit.

**Jitendra Agarwal:** So, we maintain our guidance of INR2,500 crores, which was given in the last quarter. I'm very confident that yes that will be achieved.

**Srijan Sinha:** Okay. Any slow-moving orders in our order book, where the execution are not as per your expectation?

**Jitendra Agarwal:** Currently, no all the orders are in the starting phase and things are in the right direction.

**Srijan Sinha:** Okay. Thank you, sir.

**Jitendra Agarwal:** Thank you.

**Moderator:** Thank you very much. The next question is from the line of Pinkesh from ProfitGate. Please go ahead.

**Pinkesh:** Yes. Actually, I wanted to -- I have two questions. The first one is regarding the black list that has been going on at Mumbai. Some of the activists are -- they have some problems with the smart metering, or they have the apprehensions that this one-time upfront cost will be recovered in time as hikes. So, I just wanted to know from the company, like would it impact this smart metering projects in the state, and how would it be going to affect the Genus Power? Second question is regarding the annuity O&M. Can you please give more color on that?

**Jitendra Agarwal:** So earlier also, same question was asked. In except Maharashtra, as such, we are not seeing any problem across the country. And have to understand one thing, smart-meter is very useful for the consumer also. It needs to be explained properly what I personally feel - just to give you a ballpark number, right now, in India, almost five million smart meters are installed in Bihar.

We all can imagine in a state like Bihar, and the consumers of the Bihar have accepted smart meters. And the -- most of them are on the prepaid, so 90% of the meters in Bihar are on prepaid, 90%, 95%. The consumers are supporting that journey. So, if states like Bihar can do so well, so I am pretty sure slowly, gradually, everybody will understand the benefit of it.

Apart from Bihar, one more state, which is going very well is Assam; almost two million smart meters are installed in Assam. So, you can imagine how this state which are so in comparison to Maharashtra, I would say, the GDP or their development will be lesser. Still, they are doing so well.

So slowly gradually, everybody across the country will understand the benefits of it from discom to consumer, everybody will be benefited from a smart meter. So, there's no looking back on that. So, I'm 100% confident that I don't see any challenge. If there are hiccups at some pockets, which needs to be handled properly.

In terms of O&M annuity, as I said earlier also, the O&M in these businesses O&M start immediately after the Go-Live has happened. So once the installation is done within the next two to three months, practically you are doing O&M parallelly along with the installation.

So, O&M in full swing, I would say, all the meters like say 30 million, 40 million meters Genus does in the next three to four years. And then the O&M annuity will be a fairly large size. And in terms of EBITDA and all, it will be a little better than what we currently see when the installation is done.

**Pinkesh:** So, are we including this annuity on O&M fee that we are receiving into the guidance that you have provided for the current year?

**Jitendra Agarwal:** It will be every year because whatever the O&M -- even in this quarter, whatever O&M company has received, will be part of the total revenue. It will be a part of total revenue.

**Pinkesh:** Can you just give color of this whole O&M, the size and opportunities a little bit?

**Jitendra Agarwal:** Can you repeat, sir?

**Pinkesh:** Can you give the scenario, what is the quantum of the opportunity this annuity is? Is that that you -- your installed smart meters, you will have to do -- take care of the O&M in that, or you can do O&M for the other companies install.

**Jitendra Agarwal:** Actually currently, as per the AMISP contract, whoever is installing the meter has to maintain it for the next 10 years. 10 years is a total contract period from the day it starts. So I don't see any opportunity for doing it for others in the current stage of business.

**Pinkesh:** Okay, got it. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Milind Karmarkar from Dalal & Broacha. Please go ahead.

**Milind Karmarkar:** Hi. I just wanted to know at a steady pace in the next three years, what kind of margins can we expect, EBITDA margins?

**Jitendra Agarwal:** So, we are -- currently we're maintaining the same guidance of 15%, 16%. We don't want to give any other guidance currently.

- Milind Karmarkar:** Okay, all right. Thank you.
- Moderator:** Thank you. The next question is from the line of Tushar Sarda from Athena Investments. Please go ahead.
- Tushar Sarda:** Yes. Thank you for the opportunity. I have two questions. One, you mentioned that after L1 negotiations happen, I wanted to understand how the ordering happens. I thought with L1, it's a matter of time before the L1 gets converted to confirm order. And second was, when do you get paid? Do you get paid from AMISP when you install the meter or after go-live?
- Jitendra Agarwal:** First is a regular tendering process. There is nothing new in this. The different state electricity boards have different written down processes and same is followed, you go for reverse auctions, you go for a discussion of negotiation but is regular process nothing is different for RDSS. On second question, we are paid after going live.
- Tushar Sarda:** So, there is -- therefore, the working capital cycle gets elongated, right?
- Jitendra Agarwal:** In the initial stage, because once you installed the meters in the initial stage, first going live takes more time. And once it is on the regular path and the going live time also reduces.
- Moderator:** The next question will be from the line of Karan Sharma from Sharma Securities. Please go ahead.
- Karan Sharma:** Good evening. So, I have a couple of questions for you. So first one will be, could you outline the expected time line for executing the current order book? And also, what are the projected order inflows for FY '25 and '26?
- Jitendra Agarwal:** So current order book, all these contracts, what we have taken on mostly finalized in the month of Jan, Feb - few in the month of December or March. So, all these contracts have the execution period of 27 months. And we are confident that we will stick to the time line and achieve the given timeline. So accordingly, we can see for the next 24 months, most of these projects will be completed in terms of execution, what we have currently in hand.
- Karan Sharma:** Okay. So second will be in terms of our execution capabilities, where do we stand in terms of our capacity to fulfill this massive order book?
- Jitendra Agarwal:** So, in terms of manufacturing, we have always been intending that we comfortably produced 1.1 million meters monthly, so that is absolutely not a challenge for us. In terms of execution, we are continuously building our capability, and which is visible in our last quarter performance also. And it is only going to get better. And we are on track in terms of execution and pretty confident that we will be able to meet the time lines as per the order book.
- Karan Sharma:** Okay, sir. And the last one will be, as you mentioned earlier, I wanted to follow up on the progress of Guwahati plant capacity addition, can you provide an update on this?
- Jitendra Agarwal:** So that plant capacity enhancement is under progress, and we expect it to be live by the end of September.

- Moderator:** Thank you. The next question is from the line of Samarth Khandelwal from ICICI Securities. Please go ahead.
- Samarth Khandelwal:** Sir, I just wanted to understand how the things are happening at the ground level. Earlier, you had given a guidance talk about installing six million to seven million meters in this FY '25. Are we still on track? Or are we seeing some hurdles to that?
- Jitendra Agarwal:** Currently, we are on track, and we maintained the guidance that around six million meters should be installed in this financial year.
- Samarth Khandelwal:** Okay. Thank you.
- Moderator:** The next question will be from the line of Tushar Sarda from Athena Investments. Please go ahead.
- Tushar Sarda:** Thank you for the follow-up. Your order book is INR21,500 crores. So, is that your order book or that is for the AMISP?
- Jitendra Agarwal:** So, this order book is currently -- has different break-ups). So, if you'll see out of this INR21,500, INR19,000 is from the Platform and remaining is directly which we get from our different customers, export customers or different supply orders. All these are all broken and this 19,000 is Platform. It gives - almost 70%, 75% comes back to Genus. So, since all these SPVs are still not moved to the Platform, that is why it is seen near like this.
- Tushar Sarda:** So, my follow-up was if it's a INR21,000 crores order book, which has to be executed in two years, then -- and this year, you are guiding INR2,500 crores, so next year...
- Jitendra Agarwal:** I want to correct it, sir, INR21,500 crores is the current order book. Out of that INR19,000 is the AMISP's. And when I said INR19,000 is on the AMISPs. - out of that 25%, I'm giving you a rough ballpark number so that everybody is clear. Out of that INR19,000 crores, ballpark figure is 25%, 30% goes to the Platform. 25%, 30% goes on the O&M which is after the project is completed for six to seven years and almost 40%, 45% is to be executed in the next 24 months. This is like we will have to break up.
- Tushar Sarda:** 2 to 3x of current year's revenue, right? I mean if we just do a very rough calculation.
- Jitendra Agarwal:** I don't want to...
- Tushar Sarda:** I'm just trying to understand the order book.
- Kailash Agarwal:** Yes, let me clarify you on this. So first, when we say 24 months, you have to understand that when the order we have received and once we have received the order, there is a time period to sign the contract. It takes some time, from three to six months to sign the contract. Once the contract is signed, then the execution period starts, which is 27 months. So, when we say the completion of this whole order book in the next 24 months, that means once the execution has started, that is 24 months in that. So, if you calculate on the basis of that, this whole order book will be completed by the end of '27 financial year or it may go up to '28 also - something to financial year, '28 also.

So basically, the whole order book and when we say the total order book of INR19,000 crores or INR20,000 crores, initially in next three to four years, it will come 60% to us only, which is 60% is for the installation and supply of meters.

Then comes the O&M business, which will be lasting for next eight to 10 years. And remaining 20%, 25% goes to the Platform, which is financing the whole -- this AMISP project. So basically, that in that way, you have to understand that it will take next -- by mid of '28, you can say that this whole order book will be completed.

**Tushar Sarda:** Okay. No, no, I understand. Then I'm just trying to see. So next -- basically next 2, three years, we will see substantial growth, not 100%, maybe 50%, 60% per annum because you'll receive more orders also, right, during the year.

**Kailash Agarwal:** Yes, correct.

**Tushar Sarda:** Thank you very much.

**Moderator:** Thank you. The next question is from the line of Ravi Shah from OPAL SECURITIES. Please go ahead.

**Ravi Shah:** Hi. Thanks for the opportunity.

**Moderator:** Mr. Ravi, you're not audible. Can you come a little closer to the speaker? Yes.

**Ravi Shah:** Yes, sorry for that. So basically, my first question would be what is the potential for revenue growth over the next 3, four years? I mean you just said is 50%, 60%, but given that like most of the old meters are being phased out in favor of smart meters, what kind of growth does the management expect?

**Kailash Agarwal:** So basically, as I explained in the last question also, when we say 60% - right now of the current order book, broadly there will be a revenue of INR12,000 crores in next three to four years. Then additionally, there will be revenue of meters supplied to other AMISPs. And then there will be some revenues coming from the O&M also. So put together, you can see there will be a growth of more than 50%, 60% every year. I don't want to give a right guidance because it changes, we would like to give the guidance for next financial year -- next quarter for sure.

And in fourth quarter, we will give further there, '27 also. But broadly, you can say in next three to four years, these are the numbers, which will be distributed.

**Ravi Shah:** Got it, sir. Thank you sir for the detailed answer. So, my next question would be, would you be able to provide additional information regarding our strategy towards gas and water metering going forward?

**Jitendra Agarwal:** So, on the gas meter, we have been playing the role in the current market in India, which is -- I would say, it is not growing the way we were expecting it, but it is not small also. So, it's like a typical non-AMI single phase meters with a kind of market size, I see in the gas meters in India. For water meters, we are starting this journey, and we've got a very good break in

Australia, which is very -- which gives us a lot of confidence in terms of product and capability. And India is purely electromechanical base water metering. So what used to be the case 20, 25 years back for electricity meters, where every electricity meter in the country are electromechanical. Same is the case of water meters in the country currently.

And one of the very large major disadvantage of the electromechanical water meter has been that accuracy is always being challenged and they also take air pressure sometimes, so there's a lot of work happening on water meter to become electronic. And once it became electronics, the government from the day one wants to make it smart electronic so that the data is also available from the day 1. Water is becoming more and more scarce, we see this as a pretty large opportunity, not only in India and in our different international markets also.

**Kailash Agarwal:** Capacity. Sorry, JK you continue please.

**Jitendra Agarwal:** So, Genus is focusing quite a bit on the water metering segment. Don't want to put again any numbers on it currently. But yes, we see this as a very potential opportunity. And India market also becoming fairly large in next couple of years. A lot of work is happening on the water metering side.

**Kailash Agarwal:** So in addition to JK, I will only say that company is preparing itself for a new product. We see that globally, there will be a huge, huge scarcity of water. We already see that. Even the city like Bombay faces the water scarcity and all. And for smart metering in electricity also, we started talking five, seven years back. So this is just the beginning for water meter. And it will be a huge, huge market seeing the scarcity, and it will be a global problem of water. So, we see a big, big market for that.

**Ravi Shah:** Understood, sir. Thank you for that answer. Also, the last basic question would be, what would be our tax guidance for 25%? What is our expectation over here?

**Kailash Agarwal:** Taxes, we are in a regime of 25% tax, whatever is that, will be on that only.

**Ravi Shah:** Understood sir. Thank you so much and all the best.

**Jitendra Agarwal:** Thank you.

**Moderator:** Thank you very much. The next question will be from the line of CA Amit Kumar, who is that Individual Investor. Please go ahead.

**Amit Kumar:** Hello. Congratulations on a good set numbers and could you please guide along the breakup of like INR21,500 crores, how much is for meter and how much for installation and how much other O&M and other a little bit of guidance that what you provide them.

**Jitendra Agarwal:** Just to give you an idea about it. Out of this INR21,500, INR19,000 crores comes from the AMISP Platform where we are doing the complete end-to-end solution providing. Remaining them from our different orders of AMISP meters, we are supplying export orders, and we do installational meters. So out of this INR19,000, the guidance was given earlier, initially, you have to break it in three pieces, these are all very rough guidance that 25%, 30% goes to the



Platform, 25%, 30% is on the what we call O&M, which will let say, this 25%, 30% of the O&M starts after 27 months of the installation and 40% revenue comes from the initial 27 to 30 months. This is how you have to break this order book of INR19,000 crores.

**Amit Kumar:** Okay. And the previous question was like you told that 25% of market.

**Jitendra Agarwal:** I cannot hear you very clearly.

**Amit Kumar:** In previous question, you were saying that 25% of this order book is related to Platform. So does it mean that that 25% amount will go to Platform. What again the interpretation.

**Jitendra Agarwal:** Yes. That 25% of the amount goes to the Platform.

**Amit Kumar:** And we will execute, and we will pay the amount to Platform and what after one year, two years, what would you like the cycle for that.

**Kailash Agarwal:** No, it's not that - you are just getting confused. All the orders which company is getting is transferred to the Platform. And Platform is giving us back-to-back for supplying of meters, installation of meters and O&M. So, remaining whatever the finance cost or other cost is coming, that is being in the Platform only. And this 20%, 25% is a part of that.

**Amit Kumar:** Okay. Sir, we are not liable to pay anything to Platform. Is that correct?

**Kailash Agarwal:** No. We are not liable to pay anything to the platform. It is just way of understanding that total INR19,000 crores order book is transferred to the Platform. Out of that Platform will transfer back the orders of meters, meter supplies, installation, O&M to the company. So, the company's revenue will be coming on the basis of that. That 20%, 25% revenue will not be coming to the company as being an associate of as to the company. 26% is hold by the company. That portion will come to the company.

**Amit Kumar:** So technically, we can say that 75% of this current 21,500 order book will be recognized in the financials of Genus Power. Is that correct?

**Kailash Agarwal:** Yes. We will be recognizing Genus Power, and the remaining is, 26% only.

**Amit Kumar:** Okay. Thank you very much. Thank you. All the best.

**Moderator:** Thank you. The next question is from the line of Chandresh Malpani from Niveshaay Investment Advisors. Please go ahead.

**Chandresh Malpani:** Hello. Thank you for the follow up, sir. I just want to understand the competitive intensity in the industry. We see there are newer players entering with a sizable capacity and giving the targets that they will install this number of meters to address your comments on the competitive landscape?

**Jitendra Agarwal:** I don't see any change in the competitive landscape from last six to nine months, it's almost similar. So, there's no comment on that. It is almost similar.

- Chandresh Malpani:** Okay, sir. Thank you.
- Jitendra Agarwal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Saket Saurabh, who is an Individual Investor. Please go ahead.
- Saket Saurabh:** Yes. Hi. Thanks for the opportunity. So, sir, you mentioned that in Bihar, around 8.5 million smart meters are installed. So out of which, how many are installed by Genus right now?
- Jitendra Agarwal:** So, I said almost five million smart meters installed in Bihar. Out of that, two million meters installed by EESL and that also we have supplied meters, not installed by us. If you are only purely how much meters Genus has installed, so we have installed around 6.5 lakh meters.
- Saket Saurabh:** Okay. And sir, what is the potential of number of the smart meters in Bihar because the population is quite large, and households are ...
- Jitendra Agarwal:** Bihar have completely ordered all the smart meters and currently, I would say, almost 10 million more meters -- 10 million to 12 million more meters will be installed in Bihar in the next couple of years.
- Saket Saurabh:** Okay. So sir, why I was double checking that there is news regarding meter companies and senior bureaucrat, some corruption allegations. So does that, in any way, slow down the implementation or impact company like ours. So just wanted to be clear on that.
- Jitendra Agarwal:** No. The work is going on in full swing in Bihar and they are the most aggressive board in the country in terms of the smart meter installation.
- Saket Saurabh:** Okay. Thanks, sir. Appreciate your timely revert.
- Moderator:** Yes. That was the last question, sir.
- Kailash Agarwal:** Okay. That's great. Yes.
- Moderator:** Thank you, ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Kailash Agarwal for closing comments. Over to you, sir.
- Kailash Agarwal:** Thank you, dear friends, for joining this call. The progress we have made in this quarter reflects our strong execution capabilities and the strategic initiatives we have undertaken. If you have any additional questions, please contact SGA, our Investor Relations Advisors. Thank you very much. Thanks a lot.
- Jitendra Agarwal:** Thank you, everybody. Have a good day. Thank you.
- Moderator:** Thank you, sir. On behalf of Kaviraj Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.