



“Genus Power Infrastructures Limited
Q2 FY '25 Earnings Conference Call”

October 30, 2024

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Moderator: Ladies and gentlemen, good day, and welcome to Genus Power Infrastructures Limited Q2 FY '25 Earnings Conference Call hosted by Emkay Global Financial Services. As a reminder, all participant line 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, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ashwani Sharma from Emkay Global Financial Services. Thank you, and over to you, sir.

Ashwani Sharma: Yes. Thank you, Shifa. Good afternoon, everyone. I would like to welcome the Management and thank them for this opportunity. We have with us today Mr. Kailash Agarwal-ji, Vice Chairman; and Mr. Jitendra Agarwal-ji, Joint Managing Director. I shall now hand over the call to them for their opening remarks and post which we will open the floor for Q&A. Over to you.

Jitendra Agarwal: Hello.

Ashwani Sharma: Yes, sir.

Jitendra Agarwal: I got disconnected, so have you started the call now?

Moderator: Sir, you are connected to the main call. Please proceed with the introduction.

Jitendra Agarwal: Okay. Yes. Thank you. Good afternoon, everyone. A very warm welcome to the quarter two financial year '25 earnings call of Genus Power. At the very outset, let me wish everyone a very Happy Diwali and a Prosperous New Year. The results and press release are uploaded on the stock exchanges and Company website. I hope everybody had a chance to look at it.

Our revenue stood at INR487 crores, representing an 88% increase compared to INR259 crores in quarter one financial year '24. This growth was driven by robust execution in our smart metering segment. Our EBITDA for Q2 was INR81 crore, up by 232% compared to INR25 crore in Q2 '24. The EBITDA margin improved by 724 basis points to 16.7%, driven by the positive impact of operating leverage.

The enhancement in operating margin was further bolstered by our initiatives to optimize operational efficiencies and control costs. This was achieved despite the rise in employees and other expenses, driven by our ongoing efforts to expand the workforce and strengthen systems in preparation for the execution of the substantial order book we have secured. We anticipate sustaining our operating margins at similar levers going forward.

Our PAT stood at INR58 crores, an increase of more than five times compared to INR11 crore in Q2 '24. This surge in PAT also includes a one-time gain of INR11 crores recorded under other income, stemming from the resolution of an arbitration settlement related to a government project executed in 2007 to 2009.

As on 30th September 2024, our total order book, including all SPVs and GIC platform, stands at about INR31,776 crores net of taxes, and these concessions are for eight to 10 years. Our robust order book strategically positions us for sustained growth in the upcoming quarters. We anticipate full-scale execution to accelerate from quarter three '25 onwards.

We are optimistic about achieving our esteemed revenue -- our stated revenue target of approximately INR25 crores (Errata: Actual number to be read as INR2,500 crores) for financial year '25 with an expected EBITDA margin of about 15% to 16%. We are well-prepared to navigate potential challenges associated with the large-scale execution of projects while ensuring prudent cost management and effectively meeting financing requirements.

We have also been receiving a significant number of inquiries from third-party AMISPs and lot of LOIs are received, but we have a policy not to announce publicly the same on our -- on account of our company policy, which does not consider LOIs as part of active order book. We are exploring new opportunities in gas and water metering markets, both international and domestic.

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 fuelled by our dedication to operational excellence, innovation and sustainable growth. We can now open the line for Q&A.

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

Mohit Kumar: Hi, good afternoon, sir, and congratulations on a very good set of numbers. My first question is on the employee expenses, sir. Employee expenses has seen a sharp jump, right? Having said that, given that you're executing a huge order, so we do expect some growth. But the question is, where do you think this number will settle down in F '25 and F '26?

Jitendra Agarwal: So on these employee expenses, this number will further grow because not only your execution is increasing and which will take a much bigger picture from December onwards, lot of numbers will start coming. Apart from that, lot of development work is also going on as I -- as we have mentioned earlier that we have one company which is doing HES, MDM also in-house, radio frequency also in-house.

Because of that, lot of -- employee strength has been enhanced all across. So this number will further grow. I cannot give any number right now where it will get better. But yes, next six to eight months, I see it continuously growing. Then it will take a stagnant phase.

Mohit Kumar: But directionally is it that -- some sense of the number...

Moderator: Sorry for interrupting, sir. Mohit, sir, if you can please be a bit more loud?

Mohit Kumar: Yes. Is it better now?

Jitendra Agarwal: Yes.

- Mohit Kumar:** So my question is, sir, this INR63 crore of employee expense, you did say that you can't give any number, but some sense whether it will be INR90 crore, INR100 crore per quarter, some sense of...
- Jitendra Agarwal:** I don't want to give any number right now, but yes, this will increase for next six to eight months then it becomes the stagnant. That is what I can say currently.
- Mohit Kumar:** Understood, sir. And sir, there are a lot of third-party orders which are floating around, but we haven't seen you winning anything as of now. So is it -- are you looking at third-party order now given the fact that there are no bidding is likely to happen or let's say the bidding intensity will lessen down from the top side?
- Jitendra Agarwal:** We are definitely looking at third-party orders and we are continuously supplying meters to all our customers. And we continue to grow that business also. So we have always been known as the best meter manufacturer in the country and we continue to maintain our that capability.
- Mohit Kumar:** Sir, last question, sir, on the revenue target, I think you gave INR2,500 crore target you've given and we have roughly INR900 crore in the -- less than INR900 crore in the first -- in the first half. So the run rate required for the H2 is quite steep.
- Jitendra Agarwal:** But we are confident that we will achieve it.
- Mohit Kumar:** I understood, sir. That's it from me. Thank you.
- Jitendra Agarwal:** Thanks.
- Moderator:** Thank you so much, sir. The next question is from the line of Aditya Welekar from Axis Securities. Please go ahead.
- Aditya Welekar:** Yes. Sir, my question with regard to our order book. So how do you see it shaping further in H2 and maybe in future or have we now almost at the peak?
- Jitendra Agarwal:** Currently, there are no live tenders in the market. So I don't see that order book increasing for next six to eight months. I don't see this as a peak because only 60% of the country is covered under the smart meters in terms of either tenders have been floated, orders have been decided, few tenders are still running. So 40% of the market is still remaining, which I feel will start -- tenders will start coming from the quarter one of next financial year.
- Aditya Welekar:** Understood, sir. And sir, my second question is now if any guidance you can give for FY '26 with respect to top line and margins?
- Jitendra Agarwal:** So in terms of the guidance, earlier also we said this -- we expect a 50% growth in the top line and we maintain the same EBITDA level of 15% - 16%. So as on date, we maintain the same guidance.
- Aditya Welekar:** 50% top line growth in FY '26, over INR2,500 crores in '25 you mean?

- Jitendra Agarwal:** Yes.
- Aditya Welekar:** Understood, sir. Thanks. I have few more questions. I'll fall back in the queue.
- Moderator:** Thank you so much. We have the next question from the line of Yash from Stallion Asset. Please go ahead.
- Yash:** Hi, sir. Thank you for the opportunity and congratulations again on a great set of numbers. Sir, I'm a little bit new to the company. So the first question I have was, I think you've given some explanation on the volatility of other income, right? And this quarter as well, we've seen almost INR63 crores of other income. So how -- if you want to model this, how do we sort of go at thinking about this number?
- Kailash Agarwal:** So basically, you have to understand that this is -- this other income is basically a notional number rather than actual number because this number again has come due to the -- that company is holding some shares in the trust, and that is the value of the trust, those shares. So when you see the consolidated numbers, there is other income of almost INR30 crore - INR31 crores more than the standalone one. So this INR30 crore, INR31 crores is basically because of the value of the shares in trust that has been increased.
- So we cannot any give any figures on that or any guidance on that because that purely depends on the margin. Tomorrow -- next quarter you will see there might be a loss because of that. But these are all notional numbers rather than actual numbers.
- Yash:** Okay. Got it. And sir, given that we've got a very strong order book, almost INR31,000 crores, and I understand this is over a period of eight to 10 years. So at least in the near term, FY '26, I was thinking that have you been a little bit more conservative on 50% growth or you think that if things fall in place, we can grow at a higher pace than that as well for FY '26?
- Jitendra Agarwal:** Yes, I don't think so. We are being heavy conservative. It is more on a realistic because all these projects which we are doing eight to 10 years, take a certain time to come to the full swing. That is the reason we are maintaining the same.
- Yash:** Sure. And sir, my last question is -- so our interest cost -- I mean, would you be taking more debt next year as well? So it's about -- its run rate is about INR29 crores for the quarter. Will we sort of maintain this or this might go up next year?
- Kailash Agarwal:** It will go a bit -- more the execution will happen, it will go a little bit up also.
- Yash:** Okay. So can we assume about INR150 crores for FY '26, around about that number?
- Kailash Agarwal:** If not INR150 crores, INR140 crores, INR135 crores will be a good number.
- Yash:** Okay. Okay. Thank you.
- Moderator:** Thank you so much. We have next question from Bhavin Chheda from ENAM Holdings. Please go ahead.

Bhavin Chheda: Yes. Good afternoon, sir. Congrats on strong order book and improving numbers both on the top line and the margin side and a strong guidance. So, just a few questions. One is, if you can update us on your expansion plan from 1 crore to 1.5 crore smart meters where that stands. Second, also if you can give us what has been the monthly run rate now of smart meters because you are maintaining a strong guidance of INR2,500-odd crores as compared to INR900 crores in first half.

So basically, we require almost like INR1,600 crores in next six months, which is like INR250 crores to INR300 crores per month kind of a number. So whether that October there is been a substantial ramp-up in installation of smart meters or how is it your production and -- production of smart meters as well as installation of smart meters, has that run rate substantially gone up in the September, October, which month or when it would be ramping up?

Jitendra Agarwal: So on the manufacturing expansion plan, it is a continuous lead. We are working upon it. The new plant in Guwahati is already started -- almost started and it will be in full swing in next one month. So that the expansion plan is more or less on under the place, and we will be comfortably manufacturing 1 million meters every month. So that is well taken care.

In terms of execution, even October, November, a lot of delays has happened because of the festivals and they were very well-known. So you will see the significant jump in number mid-November onwards. And it is very well placed. It's visible to us and what target we are giving, we are confident of achieving that. So what all these run rates, I understand mathematically this run rate will look very, very substantial in -- from -- especially in the fourth quarter, but yes, you will see that happening.

Bhavin Chheda: Right. And if you can share any number on quarter two and first half smart meter volumes?

Jitendra Agarwal: In terms of manufacturing or in terms of installation?

Bhavin Chheda: If you can share both?

Jitendra Agarwal: So in terms of manufacturing, exact number I need to see that, but we have done around 2 million meters in quarter two, and installation around -- installation has been 800,000 meters.

Bhavin Chheda: Installation is 800,000?

Jitendra Agarwal: Yes.

Bhavin Chheda: Okay. And quarter one would have been, sir?

Jitendra Agarwal: Exact number I need to...

Bhavin Chheda: Or first half cumulative number, if you have, that is also fine...

Jitendra Agarwal: I don't want to put any number without having any consumption.

- Bhavin Chheda:** No problem. First half number also you don't have. Okay, no problem, sir. Other question is on the fund infusion in the platform, how much has happened till date and how much you are planning this year and next year?
- Kailash Agarwal:** So basically the best thing is, we will -- we are providing you the link for the Gemstar platform also, and you can visit the site of that platform and you can get all the information, the Genus shares also and the other GIC shares also. So that will be a better idea getting all the numbers at one-go rather getting -- and regarding next one and two -- one odd next year and next to next year, whatever we feel that we have...
- We have to understand that the total outlay of Genus will be around \$210 million and right now its hardly \$2 million or \$3 million that has been invested by Genus. So next year, it will be around 40% of the remaining what we have committed will be there and next year, again, a 40% number will be there.
- Bhavin Chheda:** So 40% in '26 and 40% in '27...
- Kailash Agarwal:** Yes. And remaining 47% -- '28.
- Bhavin Chheda:** Remaining '28. Okay. And this is for your 26% share, this is your equity portion. So...
- Kailash Agarwal:** This is for our -- this is for our equity portion, Yes.
- Bhavin Chheda:** So proportionate amount will be put in by...
- Kailash Agarwal:** Will be coming up by GIC.
- Bhavin Chheda:** Almost 3x of that basically?
- Kailash Agarwal:** Yes, Yes.
- Bhavin Chheda:** Right. So both will simultaneously put or there are the different timelines for both...
- Kailash Agarwal:** Both will be simultaneous.
- Bhavin Chheda:** Okay. Okay. So basically you're saying 40%...
- Kailash Agarwal:** This information I want to provide to all the -- all attenders that we will be providing the link, already has been provided to the sites also BSE/NSE site. On those links, you can go and visit this -- the website of platform and get all the information regarding the platform.
- Bhavin Chheda:** Great, sir. Great. Great, sir. Okay. And so just -- I'm just summarizing, you said \$210 million, 40% amount each would come in '26 and '27, so that is almost like 80%...
- Kailash Agarwal:** So, these are again all broad numbers that you have...
- Bhavin Chheda:** Broad numbers, I'm asking broad numbers only, not exact pinpointing...

Kailash Agarwal: On broad numbers also, you have to understand that this is the -- this is the equity envisage on the basis of 50% debt and 50% equity in the platform. If there will be any change in that ratio, if debt increases in the platform, this number will come down.

Bhavin Chheda: Sure. Sure. Sure.

Kailash Agarwal: There is a disturbance. There is a big disturbance, Shifa.

Moderator: Sir, it's not from our side.

Kailash Agarwal: I don't know that. There is a big difference -- disturbance.

Bhavin Chheda: Okay. And the other number, sir, what has been the export run rate in...

Kailash Agarwal: Sir, can we take -- sir, can you take other questions also, you can again...

Bhavin Chheda: Yes. I have a last one. I have a last one. Just the export run rate and the inquiries in the export market.

Jitendra Agarwal: So the export run rate is a bit slow in the first two quarters of this financial year. And in terms of inquiries, we are working on some large potential customers and we see -- and there is a very good traction. So we see export business also getting a very good shape from fourth quarter onwards.

Bhavin Chheda: Thank you.

Moderator: We will take the next question from the line of Dev from Avendus Spark. Please go ahead.

Dev: Hi, sir. Can you hear me?

Jitendra Agarwal: Yes, we can hear you, please.

Dev: Yes, sir. Thank you for the opportunity, sir, and congrats on a good set of numbers. Sir, just wanted some insights on the top line guidance, you mentioned INR2,500 crores. But if I look at the working capital, that has substantially gone up, which is leading to a negative cash flow. So just want to understand as top line grows, how exactly will this look, sir, in terms of cash flow? How will cash flow move? Will working capital get better? Your insights on that.

Jitendra Agarwal: Just to give you an idea that all these AMISP projects, the initial flow of cash is very, very high. So all these projects are ramping up and lot of money is being infused currently. With the same numbers which you have infused currently, you will get these revenues in next quarter onwards. So a lot of investment happens in advance. That is why you are seeing a lot of influx of the cash flow.

Moderator: Sorry for interrupting, sir, your line is not clear.

Dev: Hello, am I audible now?

Jitendra Agarwal: You're not very well, but yes, tell me.

- Dev:** One second. Give me one minute.
- Moderator:** Sir, we can proceed with the next question and you can rejoin the queue.
- Dev:** Okay.
- Moderator:** We have the next question from the line of Chandresh Malpani from Niveshaay Investment Advisors. Please go ahead.
- Chandresh Malpani:** Yes. Sir, thank you for the opportunity. Sir, my question is related to previous participant only. So sir, my question is regarding the high trade receivables. So if we see, more than the half yearly sales which we have done. So just to understand the perspective that since we are selling to the platform and we'll be receiving our payments in 60, 75 days, so why are these receivables so high?
- Jitendra Agarwal:** These receivables are very high because the arrangement with the platform is, once we install the meters, we have to do the site acceptance test. And once the site acceptance test is done, the project goes on live. And when the project goes live, then you start receiving the capex payment from the platform. And all this process takes minimum 90 days to 120 days because there is a process of doing this SAT, there is a timeline that it has to run for 45 days, and then the disaster management recovery system. So these are all the guidelines given in the RDSS. Accordingly, these projects are running. So that is why all these projects are starting initially and most of them are under the FIIT and SAT. So operation go-live takes time. That is why I said earlier also, initially you will see -- any project which is getting started, there will be a lot of influx of the capital initially. But after six to nine months, you will see this working capital getting normalized significantly.
- Chandresh Malpani:** Okay. Sir, with respect to that only, if you can get a number on the number of projects that have gone live for Genus, and like since our quarterly sales...
- Jitendra Agarwal:** So currently, our four projects are already live, three in Assam and one in Bihar. And the projects which have already been offered to go-live, which will take two months to three months to become live, will be from Chhattisgarh, from Uttarakhand, one more project in -- all these projects because you will see lot of these projects becoming go-live from January, February onwards.
- Chandresh Malpani:** Okay. Thank you, sir.
- Jitendra Agarwal:** Thank you.
- Moderator:** We have the next question from the line of Darsh Solanki from Axis Securities. Please go ahead.
- Darsh Solanki:** Yes. Hi, sir. Congratulations for the good set of numbers. Sir, my question is regarding the installation target. So from the national smart grid meter website, we can see that out of the 25 crores smart meter installation, 22.2 crores have been sanctioned and 12.7 crores have been

awarded. So do we have any idea on the balance tenders, like what is the status, and by when do we expect this tenders?

Jitendra Agarwal: So, INR12.7 crores has been already sanctioned and there are a lot of projects which are coming, there are tenders which are live, there are tenders which are to be quoted in next three to six months and there will be -- so as I said earlier, influx of these tenders will happen from next financial year onwards. I don't see a lot of orders being finalized now in this -- any orders significantly being finalized in this financial year. And all these targets that you -- all these targets of 27 months have been delayed from the field execution side also. So in the due course of time, it is happening.

Darsh Solanki: Understood. So you are saying that even in the -- when to get new orders, even our order book will get -- we'll get new orders probably from the next financial year onwards.

Jitendra Agarwal: Yes, this financial year, I don't see any significant orders getting decided.

Darsh Solanki: Understood, sir. So I think that's from my side. Thank you.

Jitendra Agarwal: Thank you.

Moderator: Thank you so much, sir. We have the next question from Dev from Avendus Spark. Please go ahead, sir.

Dev: Yes, sir. So I just want -- my next question was just on the revenue recognition front, sir. So can you just help me in terms of understanding how exactly does the revenue get recognized once you take on a project etc.?

Kailash Agarwal: So basically that's a straight -- as we supply to any other one, we are supplying everything to the vendor, to the platform, and Genus is booking their revenue as we are booking to the others. So basically here we have to understand very clear that basically -- Genus, as this platform is AMISP, like we supply to others, it is the same, we are supplying to the platform. The only thing here is that we are doing all the work for that platform. So for Genus, revenue recognition is the same, there is no change in that.

Dev: Okay. Thank you sir. That was my question.

Jitendra Agarwal: Thank you.

Moderator: Thank you so much sir. We have next question from Amit Kumar, who is an individual investor. Please go ahead.

Amit Kumar: Thank you for the opportunity and congratulations on the great set of numbers. So my question is, we have long term borrowings increased from INR78 crore to INR494 crore as on 30th September and we have INR759 crores of bank and cash balances. So just wanted to understand why we are raising debt if we have sufficient amount of bank and cash balance available? This is my first question.

Kailash Agarwal: So your first question, let me answer your first question. So whatever this long term debt that has been increased is for the Bihar project, which is the company is doing on Genus Power balance sheet. There is only one project which is being done and this is a one and a half year old project with Genus -- the first project with Genus bought and that is being done on the balance sheet of Genus Power, not on the balance sheet of platform.

So here all the investment for this particular project, even the initial capital outlay and everything is going from Genus. So basically that is the amount that has been taken by DFC USA and that is used for that project, number one. And number two, regarding the cash and cash balances, company has a policy to keep some cash and cash balances always because what -- we are increasing our growth in multi folds and always you never know that there might be some hiccups coming. So always, we as a policy of the company, we want to keep some buffer with us so we can use that whenever required.

Amit Kumar: Okay. And the second question is, there are INR27 crores of receivable as on 30th September and INR900 crores of revenue is for H1 and receivables are more than half year revenue. And in previous con calls, we guided that receivable days will be reduced as platform will collect the money. But I can see cash for operations is also negative. So just wanted to know what are the debtor days as of 30th September and what actions we are taking to improve our receivables and cash flow from operations.

Jitendra Agarwal: So as I clarified earlier also, all these projects are getting started, almost all states, whether UP, Chhattisgarh, Himachal, all the places where we got orders in last six to nine months, these projects are getting started. And initially, there is lot of capital infusion happens in these projects. You have to supply them, you have to install them, offer them for the FAT and once they are offered, it takes three to four months to become go-live. So that is why initial capital outlays -- hello?

Amit Kumar: Yes, sir. I'm listening, sir. Yes, I'm listening.

Jitendra Agarwal: So that is the reason there is a huge amount of debtors being seen. Six to nine months down the line, once most of the projects are go-live, then you will see improvement in the working capital.

Amit Kumar: Okay. Thank you. My last question is, as I can see, there is a substantial increase in employee cost. Could you provide a number of employees as on 30th September versus 30th September '24, 30th September 2023?

Jitendra Agarwal: I don't have it exactly right now, but we can always provide it later.

Amit Kumar: Okay, thank you very much. All the best. Happy Diwali.

Jitendra Agarwal: Thank you.

Moderator: Thank you so much, sir. We have next question from Chinmay Kabra from Emkay Global Financial Services. Please go ahead.

- Chinmay Kabra:** Yes, hi. We are currently at a capacity of 1.1 million per month, and we have been planning to increase this to 1.4 million. So just wanted to know what is the time line on that?
- Jitendra Agarwal:** No we are not planning to increase the capacity to 1 -- I could not get your question exactly. We have been always maintaining that we are -- we will reach a capacity of 15 million meters annually -- hello? There is some problem in today's con call. Hello?
- Chinmay Kabra:** Sir, am I audible?
- Jitendra Agarwal:** Yes, Yes.
- Moderator:** Sir, you are on unmute mode. Please go ahead.
- Jitendra Agarwal:** We have always maintained that we will create a capacity of 15 million meters annually, and we are almost there.
- Chinmay Kabra:** We do see the operations commence for the 15 million by this quarter itself or from Q4 onwards?
- Jitendra Agarwal:** From Q4 onwards, we will be comfortably manufacturing more than 1 million meters monthly, and whenever needed, we can easily expand this.
- Chinmay Kabra:** Understood.
- Jitendra Agarwal:** We have reached the target where we wanted to reach. In the next couple of months, we will reach that target.
- Chinmay Kabra:** Understood, sir. My next question was, I understand if you can't disclose the third-party order that you have been getting, but I just wanted to understand the proportion of the total order book the third party comprises of?
- Jitendra Agarwal:** The proportion will be much, much less because our order is with the platform. There are very few AMISPs we are supplying meters and there order is only for the supplying of meters. So, in terms of value, the proportion will be very, very less.
- Chinmay Kabra:** So, we can maybe take a ballpark of maybe 5% - 7% of the total order book on a ballpark basis?
- Kailash Agarwal:** I think 10% will be a safer number.
- Chinmay Kabra:** 10%. Understood, sir. My next question was, we have a PM Suryaghar policy of the government which has been focusing a lot on installation of solar capacity on residential houses. So, I just wanted to understand, since we do also manufacture net meters, are we also seeing any traction from that end, if any?
- Jitendra Agarwal:** We are definitely seeing a traction on net meters, but slowly and gradually, all these net meters will convert to smart meters because the smart meters have both the facilities. So, there is a

traction in net meters, but that is a very, very small period of time. I think most of these PM Surya Yojana will go for smart meters.

Chinmay Kabra: Understood. So, eventually, we do see this coming into the NSGM itself, or do we see this as a segregated market going ahead?

Jitendra Agarwal: It is a segregated market. We are selling in the open market, and sometimes there are a lot of DISCOMS which also buy it directly from us and then supply it to the people who want the meter.

Chinmay Kabra: Understood, sir. Yes. Those were my questions. Thank you very much.

Moderator: Thank you very much. We have next questions from the line of Pranjal Mukhija from Growthsphere Ventures Limited. Please go ahead.

Pranjal Mukhija: Hi, am I audible?

Moderator: Yes, sir, you are audible. Please go ahead.

Pranjal Mukhija: Yes. Thank you for giving me this opportunity. I actually have just one question, sir. Sir, if you could just break our current order book of INR37,776 crores into the AMISP O&M work that we are doing and into the meter we are manufacturing. Can you just give us a split of this order book?

Jitendra Agarwal: So, currently, I don't have the split of...

Pranjal Mukhija: Ballpark will also be fine, sir.

Jitendra Agarwal: So, ballpark is...

Pranjal Mukhija: Percentage-wise?

Jitendra Agarwal: Hello?

Pranjal Mukhija: Yes.

Jitendra Agarwal: So, ballpark, we have always maintained earlier also that it is -- 45% is supply of meters and installation, around 30%...

Kailash Agarwal: JK, this is not the question, I think. Can you please again get the question?

Pranjal Mukhija: Should I repeat the question, sir?

Kailash Agarwal: Yes.

Pranjal Mukhija: So, I just wanted to understand the breakup of this order book into the AMISP O&M work that we are going to do over the next 8 to 10 years and the meters that we are going to -- like, that we are manufacturing and selling. So, I just wanted to understand the breakup between meter - - actual meters and the AMISP work.

- Jitendra Agarwal:** So, I think I understood it rightly and this is what I was delivering. So, in the total order book, whatever we are supplying to the platform, that order book can be divided into three parts. So, around 45% - 50% is the meter supply and installation, 25% - 30% is O&M, because different contracts have different pricing, and 20% - 25% remains with the platform. So, this is how the breakup will happen. And out of this INR31,776 order book, 90% is from the platform itself.
- Pranjal Mukhija:** Okay, sir. Got it. Thank you. That's all from my side. Thank you.
- Moderator:** Thank you very much. We have next question from the line of Akshada Deo from Vivog Commercial Limited. Please go ahead.
- Akshada Deo:** Sir, I wanted to know more about the promoter shareholding. I'm noticing again that in this quarter end, we have had some reduction in the promoter shareholding. So, I just wanted to know why.
- Jitendra Agarwal:** So, basically...
- Kailash Agarwal:** Yes, Yes, Yes. There is a reduction in promoter shareholding from last quarter. So, promoters have brought in some new big investors like Nomura to better its shareholding list and all. So, Nomura just wanted to have some shareholding in the company and they approached us and we found a very good name, a very good investor who can be very useful to the company in future. So, we diluted some shares to them.
- Akshada Deo:** Would that be the entire 3%, almost?
- Kailash Agarwal:** Sorry?
- Akshada Deo:** What percentage dilution did -- what percentage of shareholding?
- Kailash Agarwal:** The total was around 3%.
- Akshada Deo:** Okay. So, all 3% was sold to Nomura?
- Kailash Agarwal:** So, basically, most of that has gone to Nomura.
- Akshada Deo:** Okay, okay. Are you planning on any more stake sale?
- Kailash Agarwal:** Not right now.
- Akshada Deo:** Okay. Thank you.
- Moderator:** Thank you so much. The next question is from the line of Anurag from Multifly Wealth. Please go ahead.
- Anurag:** Hi, sir. Thank you for the opportunity. Sir, the initial part of the call, you mentioned that you are developing RF technology and HES technology. So, could you just throw some light on that and if once that is developed, could that lead to increase in margins?

Jitendra Agarwal: So, it is only developed, as I said earlier, because of this, our manpower costs are increased or increasing significantly in the last few quarters and it will further increase in the next few quarters because we are one company which is doing all the technologies being designed and developed and all implemented by us. So, HES is already getting implemented. MDM is already getting implemented. That is why there is an increase in the number of people.

Anurag: Sir, as per my understanding, we are procuring RF technology from Itron, if I am not wrong. So, are you saying that...

Jitendra Agarwal: So, Genus is one company which is flexible. We work with everyone. There are customers who say -- like a couple of our international customers, they want us to supply meters with Itron RF. So, we are doing that. There are a couple of customers who want us to supply with a different RF technology. So, we do that. In India, most of the AMISP projects which we are executing directly, we are using our own RF technology and our own cellular technology.

Anurag: Got it. Got it. Sir, on the second question, I have been hearing more about execution challenges at installing smart meters because there is some unacceptance from customers because we are shifting from postpaid to prepaid. And there have been some controversies regarding smart meters also. A lot of states have paused their plans. So, what is your view on the execution part? When can we see that pick up? On a general policy level, how can government help us execute this better?

Jitendra Agarwal: So, in bits and pieces, these issues are coming and they were very well expected. Absolutely nothing unexpected because there is such a huge change happening in the country where all the meters on postpaid are converting to prepaid. All the meters are -- conventional and economic meters are becoming smart meters. So, there will be an understanding gap from the consumer also. But there's a very strong drive from the government that it's a necessity. 99% of the consumer understands.

It's only 1% people sometimes they create some noise that because of the smart meter prepaid. So, there is an absolutely dedicated effort happening from the side of the central government, from the side of the state government, from the DISCOMS, from the AMISP to continuously telling the consumer the benefit of smart meters. And one thing is for sure, a smart meter is a necessity not only for the DISCOMS, more than the DISCOMS is a necessity for the consumer. And slowly, gradually, these consumers are very well understanding it. And there has been a significant acceptance that, if you see Bihar, more than 5 million smart meters are being installed and almost 4 million are on prepaid. And they are running very successfully. Bihar is supposedly one of the lowest in the per capita electricity consumption. It's still -- it is more successful there. So, slowly, gradually, you will see acceptance going everywhere. It is already there. But yes, there have been hiccups which have been taken care of.

Anurag: But, sir, just as you mentioned, Bihar, the acceptance is there, but it also has a very high AT&C losses. So, for states like our -- union territories like Delhi or Maharashtra or Gujarat, the AT&C losses are not that high. So, are you seeing some challenges in these places?

- Jitendra Agarwal:** So, sir, if there is a consumer resistance, then it should be more in Bihar because the AT&C losses are very high. And once you install the smart prepaid meters, it reduces big time. So, imagine you answering your question yourself, where the AT&C losses are very high, still the acceptance of Bihar smart prepaid meters has been there. So, consumer is seeing the benefits. But I'm pretty sure it will be much easier in Gujarat and other parts of the country.
- Anurag:** Got it. Thank you so much for the answer, sir.
- Jitendra Agarwal:** Thank you.
- Moderator:** Thank you so much. We have next question from the line of Aditya Welekar from Axis Securities. Please go ahead.
- Aditya Welekar:** Yes, thanks again for this opportunity, sir. So, my question is with regard to water meters. So, is there anything concrete you can share with respect to the recently launched ultrasonic water meter from Australia, its potential to get converted into order or revenue and which can contribute to our top line?
- Jitendra Agarwal:** So, currently, we are working on three to four projects globally on the water meter side. So, these are all very long gestation period projects. So, we started this journey not -- the news is coming today. This journey started almost three years back. And we are in the right path. The sub-clause has been accepted. We are expecting some good orders.
- But you will see the significant numbers coming from these projects after three to four years. It is not going to happen something tomorrow. But yes, we are on the right path. We are very confident that water will become a very significant portion of our business in next three to four years.
- Aditya Welekar:** And anything on gas meter, sir?
- Jitendra Agarwal:** Gas meter, we are primarily focusing on the domestic market. We are a regular supplier. We are doing it from last two, three years. For gas meter, the product line what we have created and developed and we are focusing primarily on the domestic side of the gas meter. And this is -- I always stated earlier also, gas meter business will be like what electronic energy meter for electricity we used to do.
- So, it will be that kind. Even a little smaller than that. That kind of normal market which we also as an important player in the market will continue to supply to all the gas companies.
- Aditya Welekar:** Understood, sir. Thanks a lot and all the best.
- Jitendra Agarwal:** Thank you.
- Moderator:** Thank you so much, sir. Ladies and gentlemen, we will take this as our last question for the day. I now hand the conference over to Mr. Jitendra Agarwal for closing comments.
- Jitendra Agarwal:** Thank you all for joining today's call. The progress achieved in the first half of financial year '25 underscores our strong execution capabilities and the strategic initiatives we have

implemented. With a robust order book, innovative solutions, and a dedicated team, we are well positioned to seize upcoming opportunities. Our focus remains on enhancing operational efficiencies, expanding our market presence, and pursuing new growth avenues in smart metering and related areas.

We look forward to both the opportunities and challenges that lie ahead and reaffirm our commitment to sustain growth and long-term value creation for our stakeholders. If you have any additional questions, please contact SGA, our Investor Relations advisor. Thank you, everybody. Wishing again everyone a very happy and prosperous Diwali to you and your family. Be safe. Enjoy the holidays. Thank you everybody. Thank you.

Moderator:

On behalf of Emkay Global Financial Services, that concludes this conference call. Thank you for joining us and you may now disconnect your line.