

May 29, 2023

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(Corporate Relationship Department),  
P J Towers, Dalal Street,  
Fort,  
Mumbai- 400 001

BSE Code: 530343

National Stock Exchange of India Ltd.,  
(Listing & Corporate Communications),  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400 051.

NSE Symbol: GENUSPOWER

**Sub: Transcript of Earning Call.**

Dear Sir/Madam,

We enclose herewith transcript of Earnings Call held on May 24, 2023 on the Audited financial results for the quarter and year ended March 31, 2023.

Kindly take the same on your record.

Thanking you,

Yours truly,

For **Genus Power Infrastructures Limited**

**Ankit Jhanjhari**  
**Company Secretary**  
Encl. as above



# “Genus Power Infrastructures Limited Q4 Earnings Conference Call”

**May 24, 2023**

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 24<sup>th</sup> May 2023 will prevail.



**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 Q4 FY '23 Earnings Conference Call.

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 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 “\*” then “0” 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 for the Q4 '23 earning call of Genus Power. Along with me on this call is Mr. Jitendra Agarwal, Joint Managing Director of the Company, and SGA, our Investor Relations advisers. The results and investor presentation are uploaded on the stock exchange and Company website. I hope everybody had a chance to look at it.

During this quarter, which ended on March 31, 2023, our wholly owned subsidiaries have received Letter of Awards worth about Rs. 2,419 crores net of taxes, for the appointment as Advanced Metering Infrastructure Service Provider, (AMISP) for installation of about 29.49 lakh smart prepaid meters.

In total, in financial year '23, the Company received robust order inflow of about Rs. 3,844 crores net of taxes. The total order book value as on March 31, 2023, is Rs. 4,115 crores net of taxes. The execution cycle of the current order book is about 30 months. Thus, it provides favorable visibility for our top line growth for financial year '24.

The Company has participated in tenders worth Rs. 27,000 crores. This constitutes RDSS tenders worth Rs. 25,000 crores, which is AMISP tenders and CAPEX mode of Rs. 1,050 crores and conventional meters of Rs. 950 crores. We expect robust order inflows to continue in financial year '24 also.

The supply chain for semiconductors and other crucial electronic components is quickly getting restored to normalcy. And as disclosed in previous conference calls, we expect to generate total revenue of about Rs. 1,500 crores in FY '24. With much improved capacity utilization, we also expect operating margins to also return to historical levels in FY '24.

Our working capital cycle is also expected to improve in FY '24 as payment terms are better. And going forward, most of the business will come through the other AMISPs.

The Bihar project is on track and revenue inflow from this project will start gaining more traction from Q1 FY '24 onwards. The Assam project is expected to commence by Q3 FY '24.

In May 2023, the Company has signed a commitment letter with United States International Development Finance Corporation, DFC, to obtain a loan of \$49.5 million, to scale up the deployment of electric smart meters across India. In partnership with DFC, we are well poised to become a leading player in the AMISP market.

Coming to the results, the sales of Q4 '23 remained modest at Rs. 202 crores, up 12% as compared to Rs. 181 crores in Q4 FY '22. A part of our top line has spilled over to the next quarter as the goods were in transit to the end customers. For Q4 FY '23 EBITDA stood at Rs. 27 crores, up by 42% as compared to Rs. 19 crores in Q3 FY '22. Profit after tax stood at Rs. 13 crores for Q4 FY '23 as compared to Rs. 11 crores for Q4 FY '22, a growth of 14% on Y-o-Y basis.

I now welcome you all for the Q&A.

**Moderator:** 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:** Yes. Congratulations on having a very decent order book, especially what you won in Q4 FY '23. My question was, sir, what is the name of subsidiary who has received the order in Q4? And how are you looking to fund the subsidiary? Have you started any talk with the lenders?

**Jitendra Agarwal:** Kailash sir, you want...

**Kailash Agarwal:** The name of the subsidiary, JK, if you remember, I don't remember.

**Jitendra Agarwal:** Yes, I know. Genus Power Solutions and Hi-Print Investments.

**Kailash Agarwal:** So, they are the 2 subsidiaries, which is Genus Power Solutions Private Limited and Hi-Print Solutions Private Limited. These are the 2 subsidiaries where we have won the order for this Assam project and all. Regarding the funding, Company is already working on that. We have some internal accruals also. And then recently, I have just told that we have received a commitment and the sanction letter from DFC for almost \$50 million, \$49.5 million, that will also be coming to the Company. And Company is also in talks with a few other people and few other investors and banks for funding for the future. So, that has also been informed earlier to the investors.

**Mohit Kumar:** When can we expect the complete clarity? And is it fair to assume that whatever you won in last quarter, Q4, in the subsidiaries, the revenues will start flowing in the standalone Company from H2 FY '24?

**Kailash Agarwal:** Yes.

**Mohit Kumar:** So, you mentioned that you would like to go back to the historical level EBITDA margin. Is it fair to assume that we are looking at greater than 15% EBITDA margin?

**Kailash Agarwal:** Yes.

**Mohit Kumar:** Okay. So, guidance is Rs. 1,500 crores for the FY '24 with a 15% EBITDA margin?

**Kailash Agarwal:** Yes.

**Mohit Kumar:** And sir, given that, so we did a large pipeline, as you have rightly said, there's a very, very large pipeline, which you're likely to get tendered out in the next coming quarters, maybe this quarter or next quarter. What is your strategy? Do we have the enough bidding capacity to participate in a very large tender? As you said, we have participated Rs. 27,000 crore tender. But what are the kind of the order inflow you're looking in FY '24?

**Jitendra Agarwal:** So, we have the capacity to participate in these tenders. So, that is not a problem. Yes, there have been some tenders where the capacity has been the issue. But most of the tenders, we have the capacity and capability to participate. And the kind of inflow, these are all RDSS-based tenders. So, we are looking at a very healthy order book inflow in next couple of quarters. But I don't want to put any number on that right now.

**Moderator:** Next question is from the Nitin Shah from Shah Investments. Please go ahead.

**Nitin Shah:** My first question is, could you please provide information on the current level of capacity utilization?

**Jitendra Agarwal:** So, currently, the capacity utilization is to the tune of 55%, 60%.

**Nitin Shah:** And can you offer guidance on any potential partnerships which we may establish with other Indian companies for the purpose of bidding on smart meters?

**Jitendra Agarwal:** So, for Genus, we don't require any kind of partnership to be done. We qualify as a sole entity. And for any tendering purposes, we don't partner with any Indian Company or any Company for that matter.

**Nitin Shah:** And sir, could you please provide more details on the statement that part of your Q4 revenue has spilled over to the following quarter due to goods being in transit to the end customer?

**Jitendra Agarwal:** Look, this has been a very normal practice because a lot of inspections are generally done by the electricity board in the second week or third week of the month and then generally, they get delayed in dispatches. So, this is a very normal practice, there is nothing abnormal in that.

**Nitin Shah:** And sir, my last question is, do we anticipate any sort of improvement in either our working capital or our debtor days in FY '24?

- Jitendra Agarwal:** So, I definitely see an improvement in debtor cycle. With this RDSS coming into picture, the whole business model is changing, is changing for good. So, by the end of this financial year, lot of these legacies, delays from the electricity boards should get better.
- Moderator:** Next question is from Yatin from Fidelity.
- Yatin:** Sir, just 2, 3 clarifications. First of all, you have signed an LoA of almost Rs. 25 billion. So, when does this come in our final order book?
- Kailash Agarwal:** Yatin, can you please speak a little loudly, I could not hear you.
- Yatin:** Is it better now?
- Kailash Agarwal:** Yes, this is better now. Yes.
- Yatin:** Yes. Sir, just wanted to check the LoA, when does it come to our final order book? And when do pickup ramp of this revenue?
- Jitendra Agarwal:** See, LoA is a final purchase order only. And on the second question, when it gets ramped up, so all these RDSS projects, they take at least 6 to 8 months to get on to the ground because there is a lot of pre-work which is required to be done before we can get on to the ground. And for the ramp-up, practically all these RDSS projects will take almost 10 months from the date of signing of the LoA, 8 to 10 months, where they truly become a ramp-up kind of a project.
- Kailash Agarwal:** From quarter 3, you will see, as I told in my opening remark also, Yatin, that from quarter 3, you will see that LOA we got in the month of March, we will see revenues coming from that and starting ramping up from that.
- Yatin:** And sir, this is AMISP, right?
- Jitendra Agarwal:** Yes, AMISP. Correct.
- Yatin:** So, now of the Rs. 4,000 crores of order backlog, almost 80% is AMISP, right? Is that a fair way to look at your order backlog?
- Jitendra Agarwal:** Yes. That's a fair way to look at it.
- Yatin:** So, how do we see then our balance sheet for next year? I know we have raised some funding from the American Development Bank. But how do we see our balance sheet for next year? Because there will be some upfronting of capital for these deals and then we will recover it over the course the project timeline.
- Kailash Agarwal:** So, basically, you will see some increase in that but not to a very high level. I think this will be the maximum debt that the Company will be looking for this particular year, which we have

already taken from the DFC and all. So, there will be a lot of internal accruals also. And then right now, if you see in our balance sheet and everything that the debtors day and the inventory are very high right now on that. So, that will be reducing because RDSS payment schemes are very good. The payment controls and the meters we will be supplying to other AMISPs also, the payment terms are also very good there.

So, there will be a lot of internal accruals coming back from the working capital that has already been engaged right now in the Company. So, almost, you will see there will be an increase in our debt. Right now, we are a 0 debt Company or net debt Company. So, certainly, the debt like the DFC will be seen in the balance sheet but not at a very high level.

**Yatin:** Sorry, just to persist on this, on a gross level, is it fair to assume around Rs. 400 crores to Rs. 500 crores of debt next year because Rs. 300-odd crores will be this and then Rs. 200 crores is the existing debt.

**Kailash Agarwal:** Yes, absolutely, not more than that, Rs. 500 crores, Rs. 600 crores. Yes. And that's on a net worth of Rs. 1,200 crores.

**Yatin:** Yes. Sir, one last question and slightly more broad-based. So, the total tendering, which has happened in RDSS last year is almost Rs. 60,000-odd crores. And if I take 25% of metering of it, that's around Rs. 15,000 crores to Rs. 16,000 crores of potential pipeline which we have. When do we expect this pipeline to start translating and are we confident of maintaining our 20%-plus market share?

**Jitendra Agarwal:** So, these numbers will start coming very visibly from third quarter, as rightly said by Kailash sir. Because most of these orders and when we say Rs. 60,000 crores or Rs. 70,000 crores, most of these orders are now getting finalized, lot of tenders are still in the pipeline. So, lot of action you will see from the third quarter, when these orders which are already being decided or getting decided by this month or some of them are decided last month. Most of these projects, the meter supply and the true ramp-up will start happening after 7 to 8 months.

**Yatin:** So, let's say, because bulk of the ordering happened between January and March, the tendering, sorry, not ordering, bulk of the tendering which happened between January and March, this will start reflecting after December or after September, right?

**Kailash Agarwal:** After September you can say.

**Jitendra Agarwal:** The orders which are already decided, every order which gets decided takes at least 8 to 9 months for ramp-up. So, a lot of orders has been decided also, few of them have been done by us only. So, you will see this ramp up in these numbers starts flowing in from third quarter.

**Kailash Agarwal:** So, basically, you can say like that. But whatever the orders that have come before December in '22, so that we will see their effect coming from first quarter of this year and second quarter of this year. And whatever has come in this year, you will see from third and fourth quarter.

- Yatin:** And sorry, just last bookkeeping question here. What would be the cost of debt which we have taken from the American Development Bank?
- Kailash Agarwal:** I don't have the exact numbers, but it will be less than 9%, including all hedging and everything. It is 100% hedged.
- Moderator:** The next question is from the line of Nikhil Abhyankar from ICICI Securities. Please go ahead.
- Nikhil Abhyankar:** Sir, I want to understand, sir, who are our major competitors in the RDSS tenders? And how do you see the competitive landscape as the orders come along in the H2?
- Jitendra Agarwal:** So, in RDSS, for this end-to-end AMISP products, the most aggressive competitors in the market are companies like Adani, Monte Carlo, GMR, IntelliSmart. So, these are the 4, 5 companies, which are the major competition for RDSS. And for the meters, as a manufacturer, as a supplier, it is primarily Schneider and HPL.
- Nikhil Abhyankar:** Sir, and also, you have earlier mentioned that the semiconductor issue is now in the past. So, how confident are we that we won't be facing that specific problem going ahead? And also, apart from semiconductors, what were the major bottlenecks that we faced in the last 1 year? And what is our outlook regarding those in the coming years?
- Jitendra Agarwal:** So, there were the 2 prime reasons of last couple of years has been very, very slow. Of course, the order offtake, all across the country, the order offtake got very slow. And second prime reason or I would say the prime reason was nonavailability of the semiconductors. And then because of that, the offtake also became very, very slow.
- So, semiconductor issue is more or less sorted out. It is, I won't say, it is completely off, and we are back to those days of '18, '19. Still not that same, but mostly it is sorted out. Still 1 or 2 semiconductors, which affect 1 or 2 projects keeps happening. But in general, we are out of that issue.
- Nikhil Abhyankar:** And sir, do we have any long-term contract for semiconductor supplies?
- Jitendra Agarwal:** So, all these large companies with whom we work for these semiconductors, in general, we have long-term contracts only with them. So, we are following the same process what we used to do earlier.
- Nikhil Abhyankar:** And sir, how will we use this \$50 million funding? Will it be used for working capital, capacity expansion or anything else?
- Kailash Agarwal:** Mainly for the working capital, which will be used for these AMISP projects.



**Nikhil Abhyankar:** And just a final question, sir. Sir, can you just help us understand about the restructuring process? And how it is going to help us?

**Kailash Agarwal:** Sorry, which restructuring you are talking about?

**Nikhil Abhyankar:** Business restructuring process.

**Kailash Agarwal:** I could not understand your question, please. Can you come again.[]

**Nikhil Abhyankar:** Sir, the demerger of investment business undertaking from Genus Power.

**Kailash Agarwal:** That's already running since long -- last 1.5 years because of the NCLT bench is not available, that is not happening. And it is just to make Genus as a purely powerplay Company only. These investments are just not adding any value in terms of the business of the Company. So, we are just putting it out, the division, that this investment division, we are taking out as a demerger.

And this scheme is almost running since the last 1.5 years because of the nonavailability of the judges and all, shortage of judges and all, it is just delayed and all. And I think it will happen in the next, say, 1 quarter or like that.

**Nikhil Abhyankar:** So, then, just a final question, sir, what was this negative other income on the consol level?

**Kailash Agarwal:** So, that is basically only the treasury of the Company which holds some listed Company shares also and some bonds also and there is a treasury of the Company. So, that's the MTM of that. There is no loss or profit in that, it's just MTM, because of the MTM it is showing in consolidated.

**Moderator:** Next question is from the line of Ashit Kothi, as an individual investor. Please go ahead.

**Ashit Kothi:** Just wanted to understand 1 thing, sir, with regards to execution of Rs. 2,400 crores, which is there exactly as outstanding orders, which would be, I suppose, within next 9 to 12 months?

**Jitendra Agarwal:** So, as we said earlier, these are turnkey projects, which is related to AMISP. So, lot of execution of these projects will ramp up from third quarter onwards. Otherwise also, we are continuously doing our regular business on non-conventional meters and that is continuously going on.

**Ashit Kothi:** Okay. And if I divide that overall orders into 4 categories, what you have mentioned under metering and subsequent other heads, 4 heads. So, all in all, 4 heads are there. So, if I were to divide under different heads, how do I bifurcate that amount or it's not possible?

**Jitendra Agarwal:** See, which are these 4 heads?

- Kailash Agarwal:** 80% is AMISP, as I told you.
- Ashit Kothi:** When I said, head means, just 1 sec, sir.
- Kailash Agarwal:** Till that time, we can take any other question, you can get ready, please.
- Ashit Kothi:** Then that basically, sir, do we see ourselves as exporting also apart from the local, be a major exporter?
- Jitendra Agarwal:** So, we currently also do a good amount of exports in metering, and we continue to do that. Our export businesses continue to grow.
- Ashit Kothi:** What I was talking about was smart meters, then BT metering, HT & Feeder metering level energy accounting and FMS. So, if I divide the whole order into these 4 subheads, should I be doing that?
- Jitendra Agarwal:** No, we should not be doing that because there's no comparison between the 2 subheads, one can be only 0.05% of the total scheme of the things.
- Kailash Agarwal:** And that's not possible for also, just we have to understand that we can broadly tell you that 80% is the AMISP and remaining 20% is all other things, what we said.
- Moderator:** The next question is from the line of Srijan Sinha from Future Generali India Life Insurance. Please go ahead.
- Srijan Sinha:** I'm sorry, but we have been disappointed with the kind of revenues that we are doing. We expected better ramp-up of revenues given the kind of ordering that's happening, given the kind of opportunity size that we have. In 2018-'19, we used to do about Rs. 275 crores, Rs. 300 crores kind of quarterly top line. We are still significantly away from that kind of number.
- So, sir, how do you see this ramp-up happening? So, H1 of FY '24, again is going to be kind of similar run rate that we are having. And only in H2 that we see significant pickup, or we'll continue to see some bit of pickup in Q1 and Q2 as well and then the major pickups happens in the latter part of the year?
- Jitendra Agarwal:** So, as you rightly said, we are disappointed. More than you, we are disappointed. So, feeling is mutual. You have to understand the cycle of the business. First quarter, second quarter, as we have mentioned it earlier also, that lot of ramp-up will happen from the third quarter. But most of these orders are decided in the last quarter of last financial year or third quarter of last financial year. It takes at least 8 to 9 months to ramp up.
- And most of the electricity boards all across the country are now moving towards AMISP. So, the conventional meter buying has also slowed down quite a bit because they won't be requiring it.

**Kailash Agarwal:** No. But here Srijan, you have to understand that it won't be like that, that the next 2 quarters will be like the fourth quarter or third quarter only. There will be certainly a good amount of improvement in these quarters also, first quarter and second quarter. Because Bihar project will be ramped up in first quarter and second quarter. Bihar project already we have won last year only. So, there will be a good ramp-up in Bihar project. So, we will be seeing a very good numbers in comparison to third or fourth quarter.

But the other projects will be seen in third and fourth quarter. We have given a guidance of Rs. 1,500 crores. So, you can say that out of that 40% might be happening in first 2 quarters and 60% happening in last 2 quarters. So, it won't be like that, that first 2 quarters will be like the third quarter or fourth quarter only.

**Srijan Sinha:** So, 40% in H1 implies about Rs. 600 crores of revenue in H1, that's about Rs. 300 crores a quarter, which is a significant jump from where we are currently. So, you have that kind of visibility that you will start doing Rs. 300 crores?

**Kailash Agarwal:** Yes, you can see that. We have project already. I've told in my opening remarks also that it will be ramped up from quarter 1 this financial year.

**Srijan Sinha:** Sir, my second question is, you have mentioned in your presentation that there was some spill over of revenue from Q4 into Q1. Is it possible for you to quantify that? How much has spilled over into Q1?

**Jitendra Agarwal:** These are very normal numbers.

**Kailash Agarwal:** Normally, these numbers are Rs. 20 crores, Rs. 25 crores, where it's spill over or will happen in next quarter. This time, it is around Rs. 50 crores. So, there will be a impact of Rs. 25 crores, Rs. 30 crores in next quarter.

**Srijan Sinha:** Okay, fair enough.

**Kailash Agarwal:** Normally, it's Rs. 25 crores always. But this time, it is Rs. 50 crores, because that's why there is a lesser revenue of Rs. 25 crores in fourth quarter.

**Srijan Sinha:** Okay. So, I mean the delta is about Rs. 25 crores.

**Kailash Agarwal:** Yes. The delta is Rs. 25 crores, Rs. 30 crores, yes.

**Srijan Sinha:** Sir, my second question is with respect to semiconductor situation. Now I mean across the industries, if we see, be it consumer durable, be it auto, semiconductor situation has more or less normalized. I mean it got normalized about 6, 9 months back. What is specific to our industry that is impacting us?

- Jitendra Agarwal:** So, there is nothing specific to a particular project that you do, because you work on multiple platforms while designing the meters. And sometimes, some of the projects, some of the platforms are still not regularized the way they used to be in the year '18, '19. So, that is why, as I said, is more or less normalized. But yes, few projects are still getting hampered because of it.
- Srijan Sinha:** And sir, my final question is with respect to your balance sheet. There is some bit of a spurt in the current borrowings, in the short-term borrowings. Is that because of the Bihar project? And second is, what would be the net debt status as of today? How much is the net debt?
- Jitendra Agarwal:** Net debt, I think it must be almost 0 net debt as on 31 March.
- Srijan Sinha:** This is including the treasury shares or excluding this treasury shares.
- Jitendra Agarwal:** No. Shares, we don't value for the treasury shares. We just say this is the cash, Company is sitting on.
- Srijan Sinha:** So, net debt would be 0. So, this spurt in short-term borrowings that has happened, has happened on back of --
- Kailash Agarwal:** That is because of this Bihar and the ongoing projects of Assam and all.
- Moderator:** Next question is from Vineet Agrawal from SKP Securities. Please go ahead.
- Vineet Agrawal:** Sir, majority of my questions are answered. Just, I wanted to know, can you please provide us the tender participation and to be participation details which you provide every quarter?
- Jitendra Agarwal:** Yes, I can. So, currently, the tenders that we have participated is to the tune of, but these are all RDSS tenders. So, these numbers, you have to understand the business model. Earlier when we used to do business, we are participating in the tenders. We can be L1. We can be L2. We can be L3. Then the quantities get divided. Here, in this RDSS tenders, once we have made the bid, the whole project goes to the L1. So, to commensurate your numbers from the number of tenders being participated and the kind of values we have participated, it generally gets very confusing. That is the reason I'm very sceptical in taking those numbers.
- Kailash Agarwal:** But in my opening remarks, we have already told that it's almost Rs. 27,000 crores worth of tenders going on.
- Moderator:** Next question is from Nikhil Abhyankar from ICICI Securities. Please go ahead.
- Nikhil Abhyankar:** Just a follow-up. Can you quantify the amount of losses that we have took for the quarter?
- Kailash Agarwal:** Sorry, Nikhil, I could not understand you.

- Nikhil Abhyankar:** Can you quantify the amount of MTM losses that were booked for the quarter, so that we can have an adjusted PAT.
- Kailash Agarwal:** I have to check exactly; I don't have the numbers. It's Rs. 20 crores, Rs. 22 crores or something like that, Rs. 20 crores, Rs. 22 crores, yes.
- Nikhil Abhyankar:** So, if we remove that, our other income would have been 0, on those lines.
- Kailash Agarwal:** Almost, yes. Other income must be Rs. 3 crores, Rs. 4 crores. Yes. So, our MTM must be Rs. 26 crores or something like that. Other income was Rs. 4 crores, yes, if I remember right, yes. So, MTM must be Rs. 26 crores.
- Moderator:** Our next question is from the line of Akhilesh as an individual investor. Please go ahead.
- Akhilesh:** Sir, you have mentioned the MTM hit. So, what is the carrying value of these securities currently?
- Kailash Agarwal:** So, basically, the carry value of these securities that, that we have to check and come back to. I don't have the exact number for that.
- Akhilesh:** And what would they primarily be as in their shares of what or bonds of what.....
- Kailash Agarwal:** So, these basically, these are the shares of Company Genus Power itself, #1; and 1 other Company, Genus Paper. So, treasury, mainly there are 2 shares in the treasury, which is of the, one, the Company, Genus Power itself and one another Company, Genus Paper. And these 2 shares are hold by Company since last almost 10 years. I think these shares are in the Company since last 2013-'14 when they came from a merger/demerger scheme and all. So, these are the 2 mainly shares of the Company, which effects on the MTM of the Company.
- Akhilesh:** And will these be hived off into the other Company through demerger?
- Kailash Agarwal:** No, no. These are not hived off. These are the cash securities only and these will be in the Company only even after this demerger thing and all.
- Akhilesh:** And since our capital requirements will also go up, we have to fund various projects, do we plan to hold these securities, or do we plan to encash them?
- Kailash Agarwal:** Right now, it's too early to comment anything. It will all depend how the things move and how the business comes, and everything comes.
- Akhilesh:** Okay. And sir, second question is, what kind of competitive intensity are you seeing in the bids you are tendering for now? And how confident are you that this margin guidance of 15% could be maintained even beyond FY '24 or maybe even be stepped up a bit?

**Jitendra Agarwal:** So, the competition intensity is there but at the same time, the market is pretty large, and these are very, very technical products. So, I'm pretty confident that we will be able to maintain this guidance.

**Moderator:** The next question is from the line of Riya Varma from NR Securities. Please go ahead.

**Riya Verma:** So, I have a couple of questions. Firstly, how much order inflow can we expect in FY '24?

**Jitendra Agarwal:** So, in FY '24, we expect a good order book. As I said earlier also, I don't want to put any number on it. But yes, there are lot of tenders being quoted, a lot of tenders which will be quoted in next couple of quarters. So, we expect a very healthy order book, but I don't want to put a number on that.

**Kailash Agarwal:** And just want to clarify on that. But as I told in the opening remark also that then we have participated in Rs. 27,000 crores worth of orders and there will be many new more tenders will be coming. And Company has a history of success on that around 15%, 20%. But we don't want to put a specific number on that.

**Riya Verma:** Understood. And Sir, this smart metering market is experiencing the arrival of new competitors. So, it is pertinent to assess whether the competitive intensity will escalate or not? And what implications may this have on our business?

**Jitendra Agarwal:** So, as I said, there are 2 types of business, what we are doing. One is, we are quoting as a AMISP. One is we're supplying meters to electricity boards and the AMISP. So, the competition intensity in both the places is almost the same, the way it used to be earlier. The only difference is, in AMISP, they are now much larger players who have come into the foray. So, for the metering business competition, we are competing with all old companies only like HPL, Schneider, Secure Meters. And for the AMISP, a lot of new people have come into the market like Adani, Monte Carlo, IntelliSmart, larger companies, GMR. So, we are competing with them. So, as Genus, since we are playing both the roles, we are competing at both the places.

**Riya Verma:** Sir. And lastly, can you provide more details on the timeline for CAPEX requirements, given the extent of the expected growth in the smart metering industry?

**Kailash Agarwal:** So, any single project that comes that has to be completed in 30 months. So, basically, right now, our order book is say like Rs. 4000 crores. So, it always depends on how many more orders or how many more projects are coming to the Company and then on the basis of that, those CAPEX will be defined in and out.

**Moderator:** Next question is from the line of Nehal Jain from SK Securities. Please go ahead.

- Nehal Jain:** So, I have a few questions. Could you share an update on the current status of the bids we have participated in? What are the potential upcoming bids opportunities that we are yet to participate in?
- Jitendra Agarwal:** As we said in the opening remarks, it's at almost Rs. 27,000 crores of bids we have already participated. For the future, to be participated almost tenders worth Rs. 30,000 crores are in the pipeline. So, you will see them getting bid in the next 1 quarter to 2 quarters.
- Nehal Jain:** And what is the projected timeline for the Company to achieve its previous margin profile of around 16%, 17%?
- Jitendra Agarwal:** We are confident of achieving these numbers by this financial year or next financial year, so we are 100% sure.
- Nehal Jain:** And the last question. What is the projected revenue growth potential over the next 3 to 4 years? What is your projection for the operating margins of the overall industry and Genus Power in the upcoming years, considering the replacement of traditional meters with smart meters?
- Kailash Agarwal:** Right now, we are not holding them for 3, 4 years. Just we are talking about '24. So, in the next call, we can provide you that.
- Moderator:** The next question is from the line of Naman Agarwal from DOL. Please go ahead.
- Naman Agarwal:** So, sir, how do you see the potential to increase the market share in the future in the meter industry?
- Jitendra Agarwal:** So, we currently already have a very healthy market share. The overall industry is growing multi-multi-folds. So, if we maintain our current market share, I think that will be very good itself.
- Naman Agarwal:** So, sir, I more, the Company has like signed a commitment letter with the United States International Development Finance Corporation to obtain the loan of \$49.5 million. So, can you provide little more details regarding the same?
- Kailash Agarwal:** So, basically, it's a loan for 9 years, fully hedged loan and it will be used for the working capital of AMISP projects.
- Naman Agarwal:** Sir, also, can you provide some a little more clarity on the operational mechanics of AMISP business model and its consequently impact on the Company's P&L and balance sheet framework?

**Kailash Agarwal:** What operational impact, you just want to understand because it's a lengthy, basically, it's a too big question to answer. So, what exactly you want to understand, if you can clarify that, that will be better.

**Naman Agarwal:** Sir, like, basically, operational mechanism of AMISP business model, how the business model will impact my balance sheet and P&L in the future?

**Kailash Agarwal:** Basically, it's a OPEX model business where we will be putting all the money initially and then we will be getting the money back in 90 to 100 instalments, monthly instalments and all. So, initial 40%, 50%, whatever is the CAPEX will be happening that will be done by the Company and then the operation, we have to maintain all those meters for the next 90 months and our money will be coming on the monthly basis.

**Moderator:** Ladies and gentlemen, that would be our last question for today. I now hand the conference back to Mr. Kailash Agarwal for closing comments. Thank you and over to you, sir.

**Kailash Agarwal:** Thank you, ladies and gentlemen. We have a deep knowledge of the domain of the industry, and we can assure you that, right now, the Company is on the right track and a lot of AMISP business is coming and Company is totally ready to get those business and getting that business. And we will do very good in the coming times. I assure you that. Thank you very much. Thanks a lot.

**Jitendra Agarwal:** Thank you, everybody. Take care. Thank you.

**Moderator:** Thank you very much. Ladies and gentlemen, on behalf of Genus Power Infrastructures Limited, that concludes this conference. Thank you all for joining us and you may now disconnect your lines. Thank you.