



HPL Electric & Power Limited

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Symbol: HPL

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Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 540136

Subject: Transcript of Conference Call with the Investors/Analysts

Dear Sir

This is with reference to the intimation dated 13th February, 2023 made by the company about the Conference Call scheduled for Investors/Analysts on Wednesday, 15th February, 2023 at 3:00 PM IST. A copy of Transcript of the conference call held with the Investors/Analysts is enclosed herewith and the same is also available on the Company's website i.e. www.hplindia.com.

Kindly take the same on record.

Thanking You

Yours Faithfully
For HPL ELECTRIC & POWER LIMITED

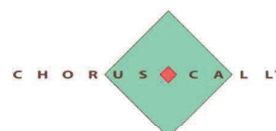
**VIVEK
KUMAR**

Vivek Kumar
Company Secretary

Encl: As above



“HPL Electric & Power Limited
Q3 FY '23 Earnings Conference Call
February 15, 2023



MANAGEMENT: **MR. GAUTAM SETH – JOINT MANAGING DIRECTOR
AND CHIEF FINANCIAL OFFICER – HPL ELECTRIC &
POWER LIMITED**

MODERATOR: **MR. MUDIT KABRA – ELARA SECURITIES PRIVATE
LIMITED.**



Moderator: Ladies and gentlemen, good day, and welcome to the HPL Electric & Power Limited Q3 FY '23 Earnings Conference Call, hosted by Elara Securities Private Limited. As a reminder, all participant lines will be in 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mudit Kabra from Elara Securities Private Limited. Thank you, and over to you, sir.

Mudit Kabra: Thank you, Lizann. Welcome everyone. On behalf of Elara Securities, we welcome you all for the Q3 FY '23 and 9 months FY '23 conference call of HPL Electric & Power Limited. I take this opportunity to welcome the management of HPL Electric & Power, represented by Mr. Gautam Seth, Joint Managing Director and CFO. We will begin the call with a brief interview by the management followed by a Q&A session.

I will now hand over the call to Mr. Seth for his opening remarks. Over to you, sir.

Gautam Seth: Thank you, Mudit. Good afternoon, everyone, and I hope all of you are doing well. And thank you for joining us at the HPL Electric & Power earnings call to discuss the financial and operating performance for Q3 and 9 months of FY '23.

To begin with our financial performance, Q3 and 9 months of FY '23 recorded good growth for the company. I'm pleased to inform you that the company registered a strong year-on-year performance where revenue grew by 31% in 9 months to INR 900 crores compared to INR 689 crores in the previous year. The quarterly revenue also increased by 8% in Q3 to INR 302 crores.

EBITDA grew by 41.26% year-on-year in 9 months to reach INR 112 crores. EBITDA margin expanded by 94 basis points and stood at 12.48%. As far as our business segments are concerned, the Metering and Systems segment registered a robust growth of 60% year-on-year in 9 months FY '23 and 46% growth in the Q3 FY '23. The Consumer and Industrial segment registered a growth of 8% in the 9 months of FY '23.

Metering and Systems delivered a robust performance this quarter. We look forward to remaining bullish and capitalizing on the smart meter segment that is evolving to demonstrate huge market demand. We are positioned at the forefront of the segment and continue to grow with new inquiries and considerable orders.

The growth prospects in both the Metering and Systems and Consumer and Industrial are looking promising for the business. The company is well positioned based on the financial performance of this quarter and the 9 months. We are focusing on business expansion and participating in the fast-paced development that the country is going through.

We're already receiving regular orders for 5G rollout and are hopeful of crossing over INR 150 crores in business in the near and medium term as per our earlier guidance. We have been consistently making investments in our R&D and innovations, culture building and training throughout our organization at every level and in every function.



All these developments are making us stronger and more resilient to cater to the coming opportunities. We are beginning to expand our capabilities by placing a greater focus on our product innovation in the market. We are in line with our goals and shared guidance for this financial year.

The company is constantly working to strengthen its footprint in the market through our product portfolio, which is being nurtured quarter-on-quarter. Apart from that, we are diligently working to enhance our dealer and retailer network for better penetration, especially in Tier 2 and Tier 3 markets.

Currently, we have over 45,000-plus registered retailers and over 900 authorized dealers. At the present moment, we have a healthy order book of over INR 879 crores, which we anticipate will drive the business in the future. Moreover, with the tender and inquiry pipeline, we anticipate the order book to be strengthened further very shortly. We have enhanced our product portfolio in each of the categories, which will be on display in the forthcoming event later this week in Delhi.

Looking at the next quarter and the future, our growth strategy is centred on increasing market share, generating healthy profits, acquiring new customers and penetrating further into promising markets. We are doing this by introducing greater operational and financing efficiencies within our business. We are committed to driving forward better brand differentiation through innovation in our business strategies.

So I think with this, we can go ahead with the Q&A.

Moderator:

The first question is from the line of Aman from Kawad Investments.

Aman:

Yes, sure. Yes. First of all, yes, congratulations on good and sustainable numbers. Sir, I had a couple of questions. What type of market growth are you looking at in the electrical and metering segment going forward, sir? And in terms of percentage, what are you looking at on a CAGR basis?

Gautam Seth:

Yes. So by electrical, you mean the Consumer and Industrial or...

Aman:

Yes, Consumer and Industrial parts.

Gautam Seth:

Yes. So going forward, first, I'll answer about metering. In the first 9 months, we have seen 60% growth in the metering and would continue to see growth happening almost on a quarter-on-quarter basis going forward. So let's say, looking at the next 15 months, the fourth quarter and the next year, I think metering is set to grow consistently in the sense that we already have an order book of INR 504 crores.

There are a couple of orders or tenders in which we are very well placed. And we do expect orders coming in very shortly within Q4- with some orders also coming in the first quarter. So in terms of the tender pipeline and the inquiries in the metering segment, we do anticipate growth coming through.



Now if you may recall, there have been certain electronics and semiconductor supply issues. I believe that those are also at a much better level now. So in terms of execution, we have also been strongly growing quarter-on-quarter for the last few quarters. So in terms of growth, we would see momentum going forward with strong double-digits.

Now coming to the Consumer and Industrial part, the last 2 years have been quite good after the first and the second lockdowns. We have seen steady growth in this segment. Unfortunately, it is only in the last 4 months that we have seen certain stagnation happening where growth is not happening in the Consumer and Industrial segment.

So if you go back to last year, there was a high base for the Consumer and Industrial segment. That is one reason. Nevertheless, the growth has not been there, but we have seen that within the third quarter, October and November were slow. But in December, I believe the business picked up during that time. January has also been fairly better.

I think we will come back to at least double-digit growth in Q4. Next year, again, because broadly, if you see the overall parameters and the way out -- the Consumer and Industrial business is structured where we have a very strong product portfolio, and there are a lot of new products being launched in the current months.

So in all aspects, we do see ourselves growing in the future -- a little ahead of the market, and in fact, garnering the market share. For the last 2 years, we have seen certain steady growth. But I think what has happened is a little more temporary, but I'm sure growth will return. There would be re-accretion at double-digit growth going forward.

Aman: Yes, going forward, now we heading towards 12% to 15% of EBITDA. Going forward, when volume also comes in, do we see EBITDA margin to be at the same level? Or are we seeing it move forward 20% to 25% margin levels?

Gautam Seth: So currently, if you look at the type of business we are, here again, I will deal with it a little separately for both the divisions. If you see the Consumer and Industrial, anything around 11%, 12% on the EBIT margin because you have to realize that while...

Aman: And metering Segment, sir...

Gautam Seth: It's much more -- yes, sorry?

Aman: And metering business?

Gautam Seth: Yes. I'll just come to that. So if you see them -- in combination, about 11%, 12% is currently how we look at it. That's where it is. In meters, our EBIT margins are even higher at 13.5%, and 14.5%. Now as the smart meter comes in in a bigger way, I would say initially, the EBIT margins could go up. But what would happen is a large part of business starts shifting towards the smart meter.

Aman: Sir, Power Grid has recently announced a tender of 1 crore smart meters. The plan is to take it out on a rental basis from companies and then rent it out to these discount companies, who are



then distribution companies. Are you seeing this too as it is for rental or sales? Have you seen it for sale- are you also planning one rental repurpose?

Gautam Seth:

No. Currently, if you see the major part of the business that we are looking at, we are focused on supplies to either the electricity boards, the distribution companies and also to AMISPs. So although HPL Electric along with the subsidiary in Himachal Energy, both are approved as an AMISP. But we are not actively participating there and picking up the orders directly.

Because, the payments are structured in 8 years. It does involve a lot of initial capex handling and the business cycle. So, however, our key focus is the smart meter manufacturing and including deployment. So that is what we are mainly focused on. So in that also, if you look at most of the AMISPs who are participating, we are approved with them or rather, they are approved using our meters as a test case for approval here.

Aman:

Sir, just wanted to know what is our current level of capacity at which we are running?

Gautam Seth:

In meters, I would say there is there's an improvement in the capacity utilization in the last quarter. But roughly, I would say anywhere between 65% to 70% is where we stand. I'd like to reiterate that the capacities can be taken on a flexible basis because to do the upside is much easier in terms of putting in certain resources in terms of manpower or even working on 2 or 3 shifts.

So although some parts of our capacities are running on 2 or 3 shifts, that is mainly injection mouldings or even certain continuous processes. But overall, we are doing that. But apart from that, we have been investing in certain kinds of automation in the past 6 months. And that is also going to give us a better output in terms of...

Aman:

Is the automation in that R&D or are we doing a JV, sir?

Gautam Seth:

No. This automation I'm talking about is in the manufacturing process. So in terms of testing there are a lot of areas now which are more continuous processes, which can even be done unmanned

Aman:

And going forward, do we feel the need to add shifts as you mentioned, sir, about adding more workers into the production side? Do we see the need for this?

Gautam Seth:

Yes. So already that is happening. And it depends on the production and the supply schedules that we are having. But if you look at what we were doing last year and even in the first quarter, if you see the third quarter- there is a big jump in terms of volume and sales. So the utilization has gone up. And even the throughput of producing more meters, that is happening. And we see this trend to continue well beyond into the next 15 months at least...

Aman:

So, sir, this trend in revenue trajectory, what do we-

Gautam Seth:

Aman, your voice is not clear.

Aman:

Yes, yes. So this growth in revenue trajectory, what type of quarter 4 do we see? Could it be because quarter 3 was much more expected from the market side of things, but we couldn't see



that realised? Was there some postponement of revenue or any contracts- or some recognition postponed to Q4, sir? Or is it some other way? Will Q4 be more...

Gautam Seth: Aman, sorry, I couldn't get the first part of your question.

Aman: Sir, I was just asking, Sir quarter 3 revenue was not as much as expected in the industry. Has there been any quarter 3 revenue which has been postponed to quarter 4 or the coming year? Or are we in the initial stages of realizing revenue from larger contracts?

Gautam Seth: So, you were talking about meters?

Aman: Yes, meters particularly

Gautam Seth: In the meters and the systems division, we have done INR 169 crores net. So I think in a way, we have been growing. Of course, there's always scope for further growth and improvements.

But I would say this figure would go up based on the schedules and our production. And you also have to realize that each of the products that are made and supplied to the utilities or the distribution companies, go through a mandatory pre-dispatch.

Sometimes it does happen that some materials are ready and will get postponed to the next one. But in the current case, I don't see any -- although there could be some natural tendencies. But as such, I think whatever was scheduled has mostly gone out. So we address schedules that are already underway, and we should be able to achieve the target that we have internally for the current quarter.

Aman: Got it. Okay, sir.

Moderator: We request that you return to the question queue for the participants waiting. The next question is from the line of Subrata Sarkar from Mount Intra Finance.

Subrata Sarkar: Yes, sir. Sir, a few questions. First, on the metering side, sir. We have seen like a lot of tenders floated on the AMISP level and some of our competitors are bidding for AMISP orders. I suppose that we do want to beat the AMISP?

Secondly, sir, considering we have received an order, I have 2 questions. Firstly on the supply side, sir. So at the open time level, how much quantity and what kind of revenue can we do with our existing capacity? And secondly, sir, if you could shed throw some light on the working capital requirements for metering? We already have around INR 500 crores as of date on our balance sheet. So how much do we want to leverage further? Or what is our strategy on the capital, on the working capital side and the capital side of that?

Vis-a-vis sir, although we have seen quite significant growth on the metering side, sir, another part of our business, as per our segmental revenue, is not picking up. So if you can throw some light on that, sir? This is my initial question.

Gautam Seth: Yes, sure. So in terms of our capacity, our normally declared capacity is at nine million meters. So I think we can do anything between 9 million to 10 million meters based on our current



capacity. So currently, as I said earlier, we are probably at around 65% of that. And I think in terms of the orders and the inquiries, I don't see capacity as a constraint because even if the orders are coming in from AMISP also, many of these supplies are to happen in the next 24 to 27 months. Then there is also a lead time before the AMISP does the initial work and the supply starts, so initial work is there.

So overall, there are all those suppliers and the inquiries which are coming in are very large. But I think there is sufficient time to do that. However currently, we are working on a good capacity level. We are seeing it increase quarter-on-quarter. So in terms of that, we don't see any capacity constraint right now on that. As I said earlier in my last reply, there is a lot of process automation which we have undertaken because under the new guidelines, a lot of the standards are much better now.

So the quantities are coming in based on those specifications, based on those standards and the guidelines. So as they become much more standardized, and it becomes easier to produce larger numbers and then thereby bringing down the cost of production per unit. So that's how our teams have been working on that.

Coming to the working capital requirements, yes, traditionally, the meter working capital requirements are a little higher. The better days are normally around 180 to 200 days from the electricity board.

Now with the introduction of the AMISPs, if we are supplying them with smart meters as a component, we see the working capital cycle improve. And of course, it's now in the initial stage, but as this picks up, as it picks up much more, we definitely should see an improvement in the working capital cycle going forward. So because of the supply against either on LCs against bank LCs, and thereafter, they are taking the responsibility as an AMISP and financing it for the 8 or 9 years, whatever it may be.

So as a company, we are focused on our core aim, which is manufacturing and supply of smart meters. So we are currently supplying to the electricity board, to the private utilities and also with the AMISPs- with most of the AMISPs you see around right now, they already tested our meters, and the inquiries continue. So we do hope big orders come by from this AMISP.

Regarding participation, independently, as an AMISP, I don't think that is something that we are looking at. With joint venture partners, who could be financing it, yes, we have explored a couple of options, but I don't see anything much happening right now on that.

We have a lot of business which is already with us and the future business for what we expect- mainly on the supply side of the meter. So we don't see ourselves leveraging more from here on when it comes to working capital. But with the supplies happening to the AMISP, definitely, we see working capital become better.

Now, this is for the meters. When you look at the trade market where Consumer and Industrial products are mainly, the channel financing is increasing. I think every quarter, we are increasing the footprint of that. And I think as we have said earlier also by the end of next year, we do expect a very vast majority of our business to happen through channel financing, which would



thereby bring the working capital requirements in the Consumer and Industrial segment pretty low.

Now regarding the third question, what you asked was about the performance of the Consumer and Industrial part? Yes, in the last 4 months, we have seen certain sluggishness in demand or more like slow sales. Before that, the growth in the last 2 years has been in a high digit of over 20% plus.

So the base has been high, but we think that by focusing on certain actions, we should be back with double-digit growth within the fourth quarter and thereafter, even into next year; with the introduction of a lot of new products coming in, and a lot of new markets what we are looking at. I'm sure we should be back in that.

But I don't see any long or big causes of concern or something like that in that. But yes, in the market, it may happen that in one of the month, sometimes for months, certain slowdowns occur in a day.

Subrata Sarkar: Sir, to follow-up on our capacity sir. You had mentioned that 9 million is our total capacity, sir. Hello?

Gautam Seth: Yes, please.

Subrata Sarkar: Yes. So out of this nine million, sir, how much can be a smart meter, number one? And sir, if you can give us some idea of the revenue also, because you understand that the smart meter cost, is almost 3x to that ordinary meter.

So if you can give some monetary numbers like 9 million or rather how it transfers into a rupee number. Also, sir, particularly since now there is 2 type of meters, so vis-à-vis, and how much can do in terms of smart meters?

Gautam Seth: Yes. So currently, although most of the tender inquiries are now of smart meters, we have still seen that conventional electronic meters demand is good. A lot of state utilities are also giving those orders. So that flow is continuing.

And even in the near term, we do see that continuing. If you look at our order book of over INR 500 crores, about 60% plus right now is smart meters. Forty per cent is for the conventional electronic meters.

So by the time this changes, it may take some time until the smart meter becomes fully relevant. Theoretically, all the 9 million meters that we make can be converted to smart meters. So as such, the unit values go up, and maybe certain processes might be extra. But as such, our entire capacity is having a lot of use of existing machines and we see that the infrastructure will get converted into smart meters.

So if 9 million remains like this, we should be able to convert this into smart meters. We see this happening as the demand coming in only for the smart meters will increase over a period



of time. In terms of value, yes, the per unit cost of a meter is high along with a lot of services or add-ons. But right now, it would be giving an estimate without listing what the values can be.

If you look at the market size, the way the sector grows, or even the tenders which are there, would be more than INR 10,000 crores or even much higher than that currently. So I think overall, the values are set to grow once the quantity converts to the smart meters, yes.

Subrata Sarkar: Sir, the current smart meter unit price is around INR 5,500, INR 6,000, sir. Is this the right understanding?

Gautam Seth: No, it depends on the tenders and depends on order to order, around what the customer wants. So yes, it can be that or it can be even higher, much higher than that. It depends on what the requirements are for meters.

Subrata Sarkar: But sir, is INR 6,000 or around INR 5,500, INR the right assumption, as a ballpark number?

Gautam Seth: No, it would be difficult guess for us to do that. But I'm sure you will get to know when the orders are coming out as it is all public information. But it's difficult for me to just give a single figure of what would happen. But yes, it is 3x or 5x higher than what the conventional meters are. But that again depends purely on the customer requirements, the tender terms, the other structuring...

Subrata Sarkar: But sir, as per my understanding, there are 2 parts of that business. One is the upfront selling of the meter, and the second is the AMC cost, sir, or AMC charges. So are we only on the manufacturing part of that business right now?

Gautam Seth: Yes. Right now, we are looking at supplying smart meters. If you have to supply to the AMISPs, then it is a supply order with the subsequent support on the warranties. The other IT infrastructure or even the maintenance, the O&M part, becomes the role of the AMISP. But then that is spread over the 10 years.

Subrata Sarkar: 10 years. 10 years, sir.

Gautam Seth: 3 years of supply and then subsequently, I think about 7 years of support. They would get their payments also within the 8 years, I think as equal like an EMI. So that's how it is structured here. So yes, our focus is mainly on the supply of smart meters to the AMISPs and the utilities.

Subrata Sarkar: Sir, the last step is a small understanding, sir, let's say, somebody is hoping for INR 100 for AMISP. So how much of that amount will be the meter supply? And how much will maintenance O&M charge for over 10 years, sir? Any rough idea -is it 50-50?

Gautam Seth: Again, it may be difficult to standardize. But yes, just as a ballpark figure, you can say 50% to 55% could be the meter cost, and the balance could be the other services, which they provide over some time.

Moderator: We'll move on to the next question. That is from the line of Sriharsha, an individual investor.



- Sriharsha:** Is it possible to fall back to throw some light on the order booking for '23, and '24 and the revenue and the EBITDA margin?
- Gautam Seth:** Yes, in terms of the order book, what we have currently is around INR 879 crores, and we are also looking at a strong quarter in Q4. But I still would say that despite a good quarter in Q4, our order book at the end of the year, at the end of March '23, should be much higher than this level.
- So in a way, for the next year, when we look at the '23 and '24, financial year, we do expect a strong order book at the start. Now when we look at the way both the businesses are structured, our metering, of course, has a very strong pipeline of tenders and inquiries. So again, we would hopefully get a couple of large orders going forward. And so overall, if you see the revenue guidance, I probably will not put a specific number now, but maybe by the end of the year, we should be able to give more specific guidance for both divisions.
- But definitely, it should be -- at least some data should be high double digits in that. And even the other Consumer and Industrial segment as well, I think if you look at the last 2.5 years, we have seen good growth. The last couple of months have been a little slow, but I think as we add this together, I think by next year also, we should expect at least a decent good double-digit growth there as well.
- So I don't see any reason why that will not happen. So overall, I think this year, with the guidance that we have given at the start of the year- we are looking to achieve that with around over 20% growth. And I think we should be able to expect a similar growth next year as well.
- Sriharsha:** Another question, sir. You are saying that the order booking for smart meters is very huge. So if you can get such huge orders, is it possible to hit the requirement of the existing capacity? Or do you have any plans for the expansion of the smart meter facility?...
- Gautam Seth:** I would say in terms of the outlook, I think we can meet the requirements based on what we have even covered in the next 15 months and go a little beyond even, You also have to understand that a lot of large orders, especially the orders coming in through the AMISPs, do have a supply time of almost 24 to 27 months.
- There is also a time lag by the time the order supplies would start. So roughly looking at the delivery schedule, I think even if one gets in a large couple of orders with the pace of the schedule of supplies, we should be able to easily do it. I don't see that as a constraint.
- Moderator:** The next question is from the line of Nidhi Sharma an individual investor.
- Nidhi Sharma:** So I just had one question. Can you please highlight how we are expanding our product portfolio? Have you launched any new products earlier in this quarter?
- Gautam Seth:** Yes. Just this week, we have Elecrama, which is a very large exhibition, which is happening in Greater Noida, very close to Delhi. And in fact, the product on display there are from each of our divisions, whether it is metering, switchgear, and switchgear also includes the industrial switchgear, the domestic switchgear and also these are solutions that we have, wire and cable.



So we are launching a lot of products in each of the divisions. So there is a new range of modular switches and a couple of new lighting products. Also, a couple of speciality cables which we have been focusing on.

So this quarter coincides with the Eleccrama exhibition. So the teams have been working on a lot of new products. And so that's how we have this portfolio -- so there's a big range of products to be launched. And most of them are, of course, are for immediate supply. But for some of them, we would be in the market by end of March or the beginning of April.

Moderator:

The next question is from the line of Aman from Kawad Investment.

Aman:

Sir, just to continue, we have nearly 20% to 25% of the market share in the smart metering and the metering segment. And as informed, there are tenders of over INR 10,000 crores that have been floated by various state utilities. Regarding this, I have 2 questions, sir. How much value in tenders are we targeting? And which location are we targeting? Is it Delhi, or Haryana? Which particular state are we targeting, sir?

Gautam Seth:

So if you see in terms of the value of tenders, we are not targeting most of the AMISP orders, although we are associated with looking to supply to the AMISP winners. So that's how we are structured. But in all, if you look at it right now, anywhere between INR 10,000 crores to INR 15,000 crores is the specific requirement that we have either on tender inquiries or inquiries from private players. So there's a huge amount of interest or inquiries which are floating around currently for the smart meter supplies.

So that is how we are looking at it. Traditionally, you can see almost in the last 10, or 15 years, our market share has always been around 20% to 25%, as you said. And we have maintained that even when the markets have been going up.

So our endeavour is firstly, to ensure that we have that kind of a market share, which I think in terms of certain orders and what is getting finalized, we are maintaining that. But as it's at a very initial stage, I think when a couple of more tenders come out, I think the market shares would probably settle down.

But in terms of values, yes, it's a huge requirement currently, and we are participating. We see ourselves as a pan-India player. So we don't distinguish between any location,

But as and when the inquiries come out, we participate. So practically in practically every state utility or even a central utility, being private utilities, wherever the requirements are coming.

If you compare us with a lot of our competition, we also have a large Consumer and Industrial division. So thanks to that, our meters also go into the private market in a big way. So we have a huge range of products, be it meters on even meters on the secondary market. And so, we also supply through the dealers, distributors or even through real estate or a lot of the OEMs. So in those terms, the business potential, of course, is pretty large going forward here.

Aman:

Sir, just to follow-up, have we added any new customers or onboarded any large customers in quarter 3?



Gautam Seth: Well, in terms of—

Aman: For instance, like customer or a state utility, which we may have an MOU with or which we have entered a formal agreement with for a certain level of order, which is INR 110 crores, INR150, around that value...

Gautam Seth: Recently, we have announced that we had got an order of about INR 162 crores from a private utility. And so this was like a repeat order of what we have got. And so of course, it is a very reputed utility. We would expect many more repeat orders coming through like this

Aman: From the same utility, sir, or from other utilities?

Gautam Seth: From the same private utility. And gradually, as we have seen that their systems are HPL Electric, and we are a preferred smart meter supplier in their system now. So over a period, as we also get more committed, we would have much more repeat orders coming in. And I think that is the idea of having dedicated customers in this because the smart meter is going to be a long-term game.

So in a sense, once a utility is putting in those meters, then they would probably come back as they use more of those meters as and when the demands are growing. So yes, repeat businesses is coming in. However, each of these businesses is on a tender to tender basis. Of course, as a private player, they might have some...

Aman: How much revenue do we get from a private player? And how much revenue do you get from tenders?

Gautam Seth: Right now, probably from that single utility, we have orders worth almost, let's say, INR 320 crores or INR 330 crores. But you have to realize that it's too early right now because we are into just about a few months of the whole supply of smart meters.

Aman: What is the turnaround period for these orders? For all these incentives and increments- what is the turnaround period?

Gautam Seth: It is almost 6 to 9 months, I would say. So that's why repeatability will happen. But...

Aman: Is there a formal agreement, sir or like...

Gautam Seth: Sorry?

Aman: Is there a target of how much has to be achieved in supply? Is it there in the pipeline? Or is it onetime- as and when required?

Gautam Seth: So this is their decision. So I cannot answer on their behalf. But typically, each one would have its purchase strategies. But if you look at the AMISPs, I think they are looking at a much longer duration for procurement. So the tenders are larger and the supply periods are a minimum of 3 years and then extend on to the maintenance part. But as private players, we have a choice. But I think the requirements, that we currently have is almost 6 to 9 months, but that can change based on their choice.



Moderator: Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Kabra for his closing comments.

Mudit Kabra: Thank you, Lizann. We would like to thank the management of HPL Electric & Power for allowing us to host this call. We would also like to thank our investors and analysts for joining the call. Any closing remarks you would want to make, Gautam, sir?

Gautam Seth: Yes, I'd just like to thank everyone for joining this call. I just feel that the opportunity, again, whether we take smart meters or even our consumer electrical business, I think remains pretty strong going forward. And as management, we are well committed to ensuring that we achieve the objectives of the company here. So thank you all. And in case of any queries, you may contact Dickenson or us directly for that. And I wish you all a great evening here. Thank you, and we can close the call now.

Moderator: Thank you. Ladies and gentlemen, on behalf of Elara Securities Private Limited, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines. Thank you.