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26th August, 2019

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Listing Department,
National Stock Exchange of India Ltd.
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Symbol: HPL

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25th Floor, New Trading Ring,
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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 6th August, 2019 made by the company about the Conference Call scheduled for Investors/Analysts on Tuesday, 13th August, 2019. 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

Digitally signed by VIVEK KUMAR
DN: c=IN, o=Personal, postalCode=110095, st=Delhi, 2.5.4.20=3eb36823c8b414e7e934f2e0af3da010641437e49524495d66b6b358709bf23f, 2.5.4.45=032100E234C1A60CCB36368F0C1FF32031C16B9EC4C0C83F861248F1AB5F64A048C162, serialNumber=052767230d5f1c44b1c2164eefdb84f2c760ac7359949d646e7ce9b91f23d372, cn=VIVEK KUMAR
Date: 2019.08.26 16:57:17 +05'30'

Vivek Kumar
Company Secretary

Encl: As above

"HPL Electric & Power Limited Q1 FY2020 Earnings Conference Call"

August 13, 2019

ANALYST: **MR. HARSHIT KAPADIA - ELARA SECURITIES PRIVATE LIMITED**

MANAGEMENT: **MR. GAUTAM SETH - JOINT MANAGING DIRECTOR - HPL ELECTRIC AND POWER LIMITED**
MR. RISHI SETH - JOINT MANAGING DIRECTOR- HPL ELECTRIC AND POWER LIMITED
MR. V.R. GUPTA - HPL ELECTRIC AND POWER LIMITED

Moderator: Ladies and gentlemen good day and welcome to the HPL Electric & Power Private Limited Q1 FY2020 Earnings Conference call hosted by Elara Securities Private Limited. 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. I now hand the conference over to Mr. Harshit Kapadia from Elara Securities Private Limited. Thank you and over to you Sir!

Harshit Kapadia: Thank you Bikram. Good evening everyone. On behalf of Elara Securities, we welcome you all for the Q1 FY2020 and FY2020 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. We have Mr. Rishi Seth, Joint Managing Director and Mr. V.R. Gupta. We will begin the call with a brief overview by the management followed by Q&A session. I will now handover the call to Mr. Gautam Seth for his opening remarks. Over to you Sir!

Gautam Seth: Thank you Harshit. Good evening everyone and a very warm welcome to all of you present on the call to discuss our financial results for the first quarter of FY2020. Our first quarter performance was marked by a healthy growth in EBITDA which came in at Rs. 30.2 Crores up by 11% on a year-on year basis. Improvement in EBITDA margins to 12.2% versus 10.5% reported last year was mainly due to higher contribution of metering and switchgear segments in our revenue mix for the current quarter.

In our segment wise performance, the metering business which is our largest segment continued to post growth with revenues growing by 10% year-on year to reach Rs.135 Crores and EBIT growing by 15% to Rs. 19 Crores.

Our switchgear business reported steady performance at both the revenue and EBIT level. Our lighting and cable segment reported a muted performance in the current quarter primarily due to weak industry demand and low project orders in the month of April and May amidst the uncertainty or general elections and tight liquidity conditions prevailing in the market. However, since the beginning of June we have started to witness good traction in our lighting business. Our current order book stands at Rs. 508.4 Crores as on August 9, 2019 which provides good revenue visibility for the year ahead.

The gross sale including GST in metering segment was higher during the last six months wherein higher receivables period coupled with higher inventory and security deposits are involved resulting in increase of networking capital and ultimately in net borrowings.

However, our debt equity ratio remains at 0.74, which is very comfortable. Our thrust on strengthening our brand presence and visibility continued throughout the quarter. Building upon our successful campaign with a Delhi Capital team and IPL we have now tied up with the Haryana Stealers Pro-Kabbadi team. We believe this gives us some effective platform to create strong brand visibility with the Tier 2 and 3 cities and in the rural areas enabling us to extend our reach and drive aggressive growth in these regions.

Further, we focused on completing our brand building initiates with product innovation as we have recently launched new innovative range of products in the lighting and switchgear segments. Both these product ranges have received good response from our dealers.

Moving forward we expect our lighting and metering segments to see strong growth on a sequential basis in Q2. We are also optimistic of seeing good traction across our business segments in the second half for this year. Especially in our B2C business with the onset of the festive season.

Furthermore, we as a company are fully geared up to meet the government ambitious target of smart meters which can truly be a game changer providing enormous growth potential.

With this I would now like to handover the call for question and answer session.

Moderator: Thank you very much Sir. Ladies and gentlemen, we will now begin the question and answer session. We have our first question from the line of Shailesh Kumar from Sunidhi Securities. Please go ahead.

Shailesh Kumar: First thing I would like to know what is the outlook for metering business going forward, both in terms of revenue and operating margin?

Gautam Seth: We are currently sitting with the order book of 486 Crores net of GST. So in terms of the outlook if you go back about two, three quarters we had a fairly good execution of our metering. Yes we are today having strong order book. Going forward even when we see the various tenders and enquiries which are currently with various utilities, they are involving over 2 Crore meters. So again it is a very healthy enquiry band which is floating currently in the market. So for the current year if you see going forward, we do see a in fact higher double-digit growth in our metering segment.

Shailesh Kumar: Sir what kind of margins would be involved in this business?

Gautam Seth: Yes, just to give you a little more color on the first question. . On a very short-term horizon, if you see from our first quarter to second quarter, we are seeing at least sequential growth of 20% in the metering, but then going forward again as the orders are coming, we would definitely see the growth momentum continue. In terms of margins, we would say normally the margins would be around 15% to 16%. This particular quarter our EBITDA margins has been around 14.1%, but that is more due to product mix. But I see it to improving a little more from here. The raw material solution with respect the polycarbonate which actually depressed our margins last year. So we see a very favorable position from an overall commodities, other raw material pricing perspective and with respect to realizations also.

Shailesh Kumar: My second question is, if you could throw some color on the new product that you have launched during the quarter. What has been response and going forward what are the other exciting products that are in the pipeline?

Gautam Seth: We have launched a new MCB. It is a 10K MCB. This replaces our very successful older model of techno MCB and that earlier model was in place for now over 10 years, but now this has got much better features. It has got a new termination in fact the international size termination. So it is a much better and improved product that we have launched. Only in the last quarter that the materials had gone in, so we do expect which will eventually replace our older version of Techno. We have also launched 7 new products in lighting, so these are again very innovative because we already have a full range of lighting product but looking at this range these are like a inverter lamps or very modern down lighters which can be fitted in a very unique way. So it is a bouquet of 7 new products which we have launched together. These have just been launched in the market, some of them are on the way, so we would definitely see a good traction coming from this. As we are approaching the festive season for lighting in the next 3 months, again these products are typically with better margins. they do give us a different type of visibility which is very unique to HPL, where it talks about our technology and the innovation, what our R&D teams have been doing. So that is how we are complementing our existing range with these new special products.

Shailesh Kumar: So basically, you are suggesting these products will be having better margin compared to our margin in metering segments?

Gautam Seth: No what I am saying is these are lighting products. Lighting has a very vast range of products, so we normally have the bulbs, then there are lot of consumer, commercial industrial lighting products which are typically the batons, the down liters, panels, then we have a street lighting. These are innovative products in the very same segment. Although, the volumes may not go up as compared to the regular products, but like we have a single bulb which changes in to four colors, so these are also used during festive times, these are quite innovative. They do have off the shelf instant value where a consumer can just pickup and probably decorate his house. So there a are developments happening in each of our factory, so our teams are working and we are constantly launching innovative products. For this festive season, especially for Diwali, we have launched 7 specific products in our lighting range.

Shailesh Kumar: Sir my next question is if you could help me understand what is the quantum of opportunity in smart meters in India and how do we plan to capitalize on it?

Rishi Seth: In this field of smart meters, the opportunities are immense, and the opportunities range from supply of smart meters to AMR/AMI projects. So we are competent and have been doing both these things in the past. So we intend that Government of India, Ministry of Power has said that in the next 3-5 years they intend to replace 20 Crores meters. So we feel that in the next 8-10 years, they will be able to replace that and then the business opportunities will tremendously grow, because then the business opportunities will grow from not only supply, it will also grow to service and it will also grow to AFM.

Shailesh Kumar: Sir one housekeeping question. What has been on a receivable and inventory days during the quarter and by then do we expect our networking capital to come below 150 days?

V.R. Gupta: Number of days as far as utility debtors are concerned on annual net basis 192 days and for others 105 days. Whereas if we take on gross sale basis with GST the number of days for utility debtors are163 and for non0utility 91 days.

Shailesh Kumar: What about inventory days Sir?

V.R. Gupta: Inventory in utilities around 59% of the total inventory.

Gautam Seth: I would like to just add that if you see in the last six months, the sales has gone up on the metering side and with a strong order book. So there has been an increase in the net working capital of almost about 29 Crores to 30 Crores and this is primarily due to the inventories going up, so almost within June itself we are seeing certain inventory buildup for the higher productions. So currently the production in our metering plant is at quite a high level, so that is where the inventory buildup has been there which has resulted in the net working capital going up. Now as we are seeing the increased sale, so the possibility of it coming down is when the receivables come in from the utilities faster, but generally receivable days are at around 160 days, on gross sales.

Moderator: Thank you. We have next question from the Sadam Hussain from Noor Capital. Please go ahead.

Sadam Hussain: I would like to know what is the company's outlook regarding the debt on the books going forward from this level and can we expect any stability or there will be more debt taken or even a positive reduction going forward?

V.R. Gupta: Yes, debt will remain in this range only, hardly 5 Crores to 10 Crores here and there, maybe down or even may be up depending on the utility debtors.

Sadam Hussain: Any plans to bring it down or get debt free in 2-3 years?

Gautam Seth: No, not on an immediate basis, because our right now with the kind of sales growth we are looking at in the next couple of quarters. Over 50% coming in from the metering so immediately we do not see a reduction. But as Mr. Gupta was saying the levels at which the debt is it could remain so and if you see even in our September quarter last year, if you see almost in the last 4-5 quarter, we are almost at the same debt what we are doing. Although in the previous quarters we have seen a reduction on the nonutility debtor days. In the last quarter, what we have just reported, the days are almost constant but that is something where going forward we will see for further improvement in debtor days mainly with more dealers entering the channel financing and more fiscal discipline within the company being there. Although in the overall market the liquidity situation seems to be tight, but still I think efforts are going on where we would see certain nonutility debtors coming down.

Sadam Hussain: So, are you finding it tough if we have to raise new debt?

Gautam Seth: No, it is not a problem.

Moderator: Thank you. We have next question from the line of Ruchir Shah from Cloud Nine Investments. Please go ahead.

Ruchir Shah: Sir, Can you give us some guidance on the revenue growth and profitability growth for the next 2-3 years and we will be able to achieve 3% PTA margin in the next 2-3 years?

Gautam Seth: With respect to the revenue growth, we see a good double-digit revenue growth happening in meters based on two things; one, we are already having a good order book almost in the first quarter, but we still have the last part of the year remaining with us. Second, enquires are very strong. We see the metering industry to be really picking up. This is excluding the smart meter opportunity and when we take the smart meter opportunity, the industry is said to grow at a very large level in the next coming years. So as regard metering is concerned on a short-term considering this year. We see a double-digit growth but even going forward in the next 3-4 years, we see that to be a very strong segment for us. Looking at the trade segment, the quarter was little weak in some of the products but the way we have seen the things to pickup, I would say that we expect a good Q2 at least from the lighting and certain other products. But going forward we see the market growing up. On a three year period even on the trade side, we would see tremendous growth coming in especially coupled with our brand building effort. We are expanding our channel reach today in terms of our retail outlets and the sales point. So I think these type of efforts what we are doing will definitely give us a better revenue outlook. In terms of margin, to achieve as you said 3% PAT, I see that is easily possible. We are if you see in the last couple of quarters the operating expenses have been under control whether they are other expenses or even on the salaries and other things. So there has been a lot of work that is already happening and if you just see even on quarter basis margin, the quarter ending March 2019 we did achieve that in a single quarter but I am sure with our revenue said to go up, better control happening on the expense side, and our push also on the centralized procurement system what we have put in, which is already showing certain results where we see a big war on reducing our procurement cost across the various factories. So, there are lot of steps what we have put in. = As we go ahead I definitely see much better margin to come.

Moderator: Thank you. We have next question from the line of Ninad Sabnis from Sabnis Financial. Please go ahead.

Ninad Sabnis: Sir I would like to know what is the outlook for lighting and switchgear business going forward?

Gautam Seth: We always have been saying that as an industry if you see the lighting industry the growth potential is very large. In fact it considering most of the fields of electrical or the related products lighting does have a very big upside as per the way the industry has been growing and the way the LED penetration has been happening. So going forward we do see a lot of growth coming in. TThere has been certain challenges with the lighting industry over the past couple of years. The opportunity has come with certain challenges, those challenges being that the prices have been coming down a lot of innovation has been required and that is where HPL has been really working on it. So we have a complete control over the design, over the manufacturing of all the materials that we have been selling. So that has helped us to be really up-to-date on that. In terms of growth, major share has come in from consumer side of the LED lighting, but going forward by the second half of the year, we see a lot of the project sales and the outdoor lighting that part of our business to pickup.

On a longer term, we see a very steady growth on the lighting front. Switchgear is a much more steadier vertical, the growth of the industry is more slower mainly because of the pains what we have been seeing in the real estate segment. That segment has been really muted, the overall demand is not very large right now and in the last couple of months, almost last two quarters even the government purchasing due to the elections has been on hold, so while we have seen muted growth but overall it is steady. If you see HPL performance in the last two years our switchgears has picked has picked up, more because of certain reorganizations what we did and we got in a specific focus on the switchgear part and that did pay results and in certain quarters we were even able to grow even about 20%-30%. But overall as I see it going forward, we would see just a kind of double-digit growth not a very high demand coming in. So somewhere we expect to grow a little above the industry that is how we see the segment currently.

Ninad Sabnis: Next question would be on the EBITDA margins. Do you see any improvement in the EBITDA margin as the year progresses?

Gautam Seth: As I said earlier, on the metering side, because metering, we have done about 14% EBIT margin, so I will take to the little product wise. So, the metering we might expect a slight betterment in that. Similarly, if you see lighting has come down in this quarter at 10%. But maybe with a better mix that may improve by 100 bps as we go ahead, but our switchgear and wire business, they are at a much more steadier level and I do see much improvement happening in that, but the overall EBITDA we have seen certain improvement in this quarter largely due to higher share being from metering and switchgears, but as we see the lighting also which is said to grow in the second quarter then maybe the overall figure may get altered a little downwards.

Ninad Sabnis: Can you throw some light on the order book movement during the quarter, how much was executed and what was the incremental order inflow for us?

Gautam Seth: I do not have exact incremental figure but in our fourth quarter results our total order book at that time was around 574 Crores, which is now at 508 Crores. So there has been the execution has been little more than the new orders coming in but that is more because in the first quarter almost two months we have seen the elections. So lot of tenders were out but that not tenders were getting decided. Now as we go forward in the second quarter and the third quarter, we do see a lot of orders getting decided, so that is where we see a big opportunity for us.

Ninad Sabnis: Lastly, when can we expect our net working capital days to go below 150 days?

Gautam Seth: Not in the immediate future. because over 50% of our business is currently coming from meters, At least for this year when we see because of the large order book and the enquiries that are there, we will see the metering part to be strong, although the trade part, will also pick up. So immediately in this year I do not expect that to come down. Although we are constantly working to make sure that comes down, but maybe not in the immediate future.

Moderator: Thank you Sir. We have next question from the line of Ankita Jain from Alpha Investment Advisors. Please go ahead.

Ankita Jain: I want to know what is your outlook for the B2C business over the next couple of years and considering our brand building and marketing efforts, do you expect it will grow faster than the utilizing metering business going forward?

Gautam Seth: Yes, if you see the overall B2C business, in immediate future, we would see lighting to really grow in a bigger way and the switchgear business and the wire business to be on a more steadier level although there will be growth that will be just at a little marginal rate. But overall if you look at a longer period we see our B2C business to be growing at a faster rate. Currently, in the short term, we have seen certain demand going down or even the liquidity being a little tight in the market, but as we go ahead, we are very well placed on the B2C side. The advertisement push what we have done in the IPL and even the one which we have recently started with the Kabbadi Association we believe the brand is now getting to be known better at least on the trade side and even with the consumers which are using. The awareness levels are getting to a better level. With this we have also reorganized our main dealer and distributor segment. In fact, we have drastically reduced the number of dealers with a view to bring in a better fiscal disciple that has being showing on the books but as at the same time we are expanding our retail network. So with almost 27,000 retailers today and which is said to grow in a bigger way in the coming years the B2C segment will definitely see a sustained growth going forward as we are putting more money on the advertisements.

Moderator: Thank you. We have next question from the line of Priti Sharma from Individual Investor. Please go ahead.

Priti Sharma: What has been the response like for the promotional campaign we did in the Delhi Capital team during the IPL. Have we see any tangible benefits of the same and also what kind of response are you expecting from the Haryana Stealers pro Kabbadi Campaign?

Gautam Seth: Yes we have seen a quite a positive response in our association with IPL because as you are aware IPL is the most watched tournament with a very large viewership. During the last 2-3 years. When we had actually started investing in building up the brand, the IPL was viewed by our consumers, by our trade channels and everybody as a much more bolder step by the company where the visibility was much more better and we were able to build up a much more better proposition with the customer. Somehow in terms of the sales it did not show up directly on the first quarter, but we believe brand building in much for a longer time. So we are already from June onwards seeing certain traction on the lighting part. So overall as we continue with various other ways to reach out to a consumer we do expect the brand to be build up in a better way. Further, will be able to even improve our realizations as we go forward with a better brand and with the brand pull by the channel and as the better brand pull happens, it will also help us to reduce the number of receivable days because that is where we can be more commanding with our channel on that. The difference with Haryana Stealers Association and the IPL is that if you see Kabbadi in terms of the Tier 2 and Tier 3 markets and the rural markets, much of the data shows that the viewership in certain of these places is much more than what even the IPL commands. So it is our effort now to get into these type of towns which we believe is going to be the future growth areas in the country and that is where the newer demand will come through. So, we wish to capitalise on that and the initial the responses that we have got and even with specific activities happening on a BTL basis, in Haryana, UP, and certain other northern states we do expect a much better visibility and thereby growth coming in sales for HPL.

Priti Sharma: Sir one more question. Why is the depreciation increasing so much like almost we can see a 35% YOY increase? What is the reason behind this? Could you please explain?

V.R. Gupta: In Q4 2019, depreciation was 8.62 Crores that has gone up to Rs. 9.43 Crores. It is partly because of Rs. 75 lakhs increase on account of Ind-As 116 introduction.

Gautam Seth: Just to add on that there is a new accounting standards, AS-116 and due to that the depreciation has gone up by about Rs. 75 lakhs. So that is one of the reason because that has become mandatory from April 2019.

V.R. Gupta: Last quarter it was 8.62 Crores that has increased to 9.43 Crores in this quarter.

Priti Sharma: One last question, what is the outlook for the interest expense. Do you expect it to go below 50 Crores in the foreseeable future?

V.R. Gupta: Right now, it does not seem to be because it would be around 60 Crores or so in the whole year.

Moderator: Thank you. We have next question from the line of Harshit Kapadia from Elara Securities. Please go ahead.

Harshit Kapadia: I just wanted to know how large is the professional lighting segment within your lighting business Sir, since there has been a media cause of decline in revenue in this quarter?

Gautam Seth: Close to 30% is the professional loom division.

Harshit Kapadia: This is purely because of demand being subdued or is there also price angle to it because there has been a decline in your LED prices is what we understand from the market sources, so is there is mixture of both or is only one?

Gautam Seth: It is a mixture of both because one if you see the professional lighting segment this is mainly what we are doing through trade or non-institutional customers. If you see there has been a large demand which came in through the government purchases and through the EESL and other such large institutions. So due certain time when the prices were really coming down or based on certain terms and conditions which we felt were not very favorable at that time. So we consciously did not take certain of those orders, so although the demands were there and there was something that we could have also participated and actually brought in the orders. But looking at a long-term view, we at that time chose not to go for that. Nevertheless now we see the demand to be picking up so there is even in the professional looms, now we see good enquiry bank is there and with certain specifications and the requirement also going up, that is where we see the future of professional looms to be picking up. Just to recall that we have been saying for the last 2-3 years that when the real opportunity came in we were about 60-70 companies which actually came in to it, but the demand is now much more consolidated, lot of not so serious players are out of the industry and they are in the fray. So now the terms are much better for us to pursue those opportunities. About one and half years back we did very large project of the Bhopal Smart City. So there are a couple of very large such projects which are coming out and which we believe are really going to be beneficial for us because of the technology they are asking for and that is where our strength comes in, but it is also the margins are good, the terms and conditions are quite favorable looking a long-term business opportunity.

Harshit Kapadia: Continuing with professional lighting only, is there is a price still reduction going on mean LED, bulbs, batons and panels or is there the curb has been reduced?

Gautam Seth: If you see as a reduction as a curb what was happening that is not happening as such, but yet the market it is an open market, it is competitive so each time there could be somebody who is playing on the price but that happens with every other product so as such the drops what we have seen earlier in the last 3-4 years that is not as such happening.

Harshit Kapadia: Some of your peers during this Q1 conference call had highlighted that there is some amount of slowdown in consumption especially in the real estate sector since our products also much related to that sector, are you seeing any kind of slowdown especially Tier 2, Tier 3 cities where our advertisement is largely maintained towards the rural market now. So are you seeing a slowdown there as well and that would impact some demand in Q2 and possibly in Q3?

Gautam Seth: I would agree with that. There has been a slowdown in the real estate segment and so we have seen certain affect on our switchgear business, many on the domestic switchgear and also on the wire business, which normally goes to the big and small builders. Similarly, this type of a slowdown maybe going into the Tier 2 and Tier 3 cities, our plan of building up the brand is a little long-term. So whether there is a recession or low demand which we believe is still temporary in nature we would continue to build up our brand because when the opportunity comes that is where we can look to exploit our brand in a much better way.

Harshit Kapadia: But would you want to curtail some amount of your ads or promotional expenses at this point in time since there is some amount of slowdown just to maintain that EBITDA margin level of let say 12%, 13% odd for the full year?

Gautam Seth: Yes if you see our advertising spend in the last year and if you see the current run rate of spending that is already in a checked manner. So we are aware of the conditions which are currently prevailing in the market but we are always ready to review based on that. But we do anticipate a bigger demand coming in the near future on the festive season and then going forward in the next 2-3 years we do see the demand really picking up.

Harshit Kapadia: How has been the growth in July and part of August that we have just completed in lighting and cables and wire segment just to understand how severe is this, is there the decline continuing or you are seeing some?

Gautam Seth: More specifically on the lighting I can update that from June and continuing in July, we have seen the lighting segment to pickup as compared to April and May, so that is why we did talk about that. We see Q2 to be much better on the lighting front, of course a large part of the festive season because typically from the August 15 is the time when the real festive season begins, starting with Ganesh Chaturthi and then going to Onam as we go ahead, so I think we are quite fed for the festive season. So just considering June and July I think things have been on the positive side.

Harshit Kapadia: Just two more questions from my side. Sir switchgear could you highlight the 2% growth, we had seen a growth in the switches segment or the MCCV or the MCB segment, if you just break up that into different product segment?

Gautam Seth: As I said earlier because of the real estate, we are seeing the domestic switchgear demand going up slowly and that is mainly on the private sector side. Also, in this quarter the purchasing, that was happening earlier for the Saubhagya scheme and lot of other schemes that the government is running, because they also had certain demands coming in through various contractors, so that was not seen at all in the first quarter. In our case, last year, in the Q1 also had a little higher base as compared to the earlier years, But definitely our team is looking at how we can grow from here in the switchgear, despite certain slowdown being in the real estate segment.

Harshit Kapadia: Just final question Sir since we are market leader in utility meter segment, generally power meters, this it a thought process by the management where you know government spending or incremental government spending would be coming in more towards water related project so we have a product in place like a water meter or do you think we should be developing that as a product since that is a very long-term benefit as well?

Rishi Seth: Water meter is already there in our R&D and we have already been assessing that and we are also getting the flow meters designed for that water meter, but we are still looking at various possibilities of both Shakthi Ministry, what type of specifications, what type of model they will follow and I know it will be AMR compliant so what type of an AMR model will they follow. Also we will be doing the financial evaluation of both the ministry as well as the our own value added benefit to take the decision on that, so we are in touch with all the stakeholder in this and as and when we get more clarity we will brief you.

Moderator: Thank you. We have next question from the line of Priti Sharma, Individual Investor. Please go ahead.

Priti Sharma: Sir I just have a question. What is the credit rating at present?

V.R. Gupta: A minus.

Priti Sharma: One more if I could take it. With the rate cuts being announced by RBI at present, do you expect the interest rate that we are paying our loans currently to come down?

V.R. Gupta: Yes, definitely it will come down. SBI has also taken step to reduce it.

Moderator: Thank you. We have next question from the line of MS Arun from Capital Markets. Please go ahead.

MS Arun: Sir. Could you please tell me the market share of our each of the product in geographical wise?

Gautam Seth: I am giving you the geographical break up you have been asking for the overall B2C business. So, the north region contributes about 32%, the west contributes about 28%, south about 24% and about 16% is the eastern region.

Moderator: Thank you Sir. As there are no further questions, I now hand the conference over to Mr. Harshit Kapadia from Elara Securities Private Limited for closing comments. Sir over to you!

Harshit Kapadia: Thanks Bikram again. We thank Mr. Gautam Seth and Mr. Rishi Seth along with Mr. Gupta for giving us an opportunity to host this call. We also thank all the investors and analysts for joining for this call. Any closing remarks Gautam Sir and Rishi Sir?

Gautam Seth: I would like to thank everybody and as we go ahead to the second quarter, the teams are working to ensure that we are able to bring out better results going on the metering side and lighting plus all the other products as well and the company being today very conscious on to look at the networking capital and bring it down. So there are continuous efforts happening in that and we will relook and see how we can bring it down further. Thank you once again.

Moderator: Thank you very much Sir. Ladies and gentlemen on behalf of Elara Securities Private Limited that concludes the conference call. Thank you for joining without us and you may now disconnect your lines.