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Scrip Code: 540136

Subject: Transcript of Conference Call with the Investors/Analysts

Dear Sir

This is with reference to the intimation dated 31st October, 2023 made by the company about the Conference Call scheduled for Investors/Analysts on Thursday, 9th November, 2023 at 03:00 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
Company Secretary

Encl: As above



“HPL Electric & Power Limited
Q2 and H1 FY '24 Earnings Conference Call
November 09, 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 Q2 FY'24 Conference Call of HPL Electric & Power Limited 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 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, Arshita. Good afternoon, and happy festive session to all on behalf of Elara Securities. We welcome you all for the Q2 FY'24 and H1 FY'24 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 overview by the management, followed by a Q&A session. I'll now hand over the call to Mr. Seth for his opening remarks. Over to you, sir.

Gautam Seth: Thank you, Mudit. Good afternoon, everyone. I am pleased to share that our performance for second quarter FY'24 and half yearly FY'24 has demonstrated our ability and preparedness to meet the demands of the shift towards energy efficiency across all our product segments, Metering & Systems as well as Consumer & Industrial. We have showcased credibility in our capabilities to deliver excellence in our execution cycles and in achieving the growth milestones that we have been discussing with you all over the past quarters.

Furthermore, our quarterly and half yearly performance affirms the company's position at the cusp of a new positive growth cycle that we see unfolding over the next three to five years, alongside the government's ambition for smart meter rollout, greater connectivity and nationwide conscious energy usage transition.

Our focus remains on improving our infrastructure, technology and market reach to maintain our consistent growth and market-leading position, notably in the Smart Meter, Switchgear and Wire & Cable segments.

In this light, our partnership with Wirepas for RF mesh technology in smart meter communication infrastructure marks a significant stride towards technological excellence enabling us to meet surging demand for smart metering solutions in a changing energy landscape.

In addition, our ongoing specific capacity expansion for smart meters in our factories is an initiative catering to the rising demand with high precision metering solutions that are durable with high service level performance. We anticipate continued growth to add to this quarter's strong performance in our Metering & Systems segment, in line with our positive growth this year.



At HPL, we are dedicated to consistently delivering innovative and practical solutions across all our products. In the Consumer & Industrial segment, the company has achieved significant growth for switchgears and wires in H1 FY'24, encouraging a positive trend going towards the second half of the financial year.

In LED lighting, we have faced a value erosion as an industry-wide phenomena due to a change in technology. We anticipate for this to improve and are confident for Lighting segment growth to recover by Q4 FY'24, adding to our performance of sustained quality growth overall.

As we head into the future, we remain committed to operational excellence, financial resilience and sustainable growth. We are focused on growing revenue, improving our margins and strengthening key balance sheet ratios towards creating greater shareholder value.

We are prepared to answer to India's metering transformation and to benefit from specific government schemes such as RDSS that are geared to improve our energy and housing infrastructure. We look forward to upholding the legacy of durable energy solutions through our ongoing growth journey spanning two decades.

On that note, thank you for joining us today and being part of our strategic vision as we embark on a new chapter of high-value growth. Let us begin with the Q&A sessions.

Moderator: The first question is from the line of Mr. Chandresh Malpani from Niveshaay Investment Advisory.

Chandresh Malpani: Yes. So firstly, I want to know what is our targeted market share that we are seeing in this entire rollout of INR 25 crores smart meters?

Gautam Seth: So as this is a big opportunity, we would be looking at anywhere between 25% to 30% of the smart meter roll out. So that's -- I think internally, we will look at that. And if you see in the past also, we have maintained a 20% to 25% market share, but -- sometimes as we say, it's a little early right now on this.

But as we move forward, you will see a lot of orders from the AMISPs to come into the meter manufacturers and that is when the true market share can be determined because right now, a lot of orders from the AMISPs is basically the utilities placing orders on the AMISPs. So I think anywhere between 25% to 30% should be something that we would be looking at.

Chandresh Malpani: So sir, on this only, sir, what is your approach like are we building as an AMISPs, or we will be just the sole manufacturer of meters and supply to AMISPs? What about long-term, or you can say what is our view on this?

Gautam Seth: No, our strategy is very clear that we are a leading manufacturer of smart meters, and we would love to be a leading supplier to the AMISPs. And this would be the primary goal for us. And as you see, a lot of -- as I was just saying, the orders -- a lot of orders are coming to the AMISPs, but after that these get translated back to the meter manufacturers, and that is when we are looking to get a very large share of the meters from that.



But apart from that, we are also -- we have reviewed the ecosystem. And we are like -- as you can see based on our tie-up that we have done for RF mesh technology. So there are certain other opportunities which are all within the same ecosystem. And so we would go a little beyond the smart meter into, let's say, the communication technologies or even the HES the head-end software. But the primary focus would remain the supply and the size of the smart meters. That is where the main focus would be. We are not looking to as an AMISP where we could also be financing the project.

Chandresh Malpani: Okay. Okay. And sir, with this technical tie-up, is it safe to assume that you cater to 75% of the AMI value chain?

Gautam Seth: No. Not very quick to put a number on that. But I would not say that because anyway, if -- on a very broad ballpark trigger let's say 1/3 is the financing part. So anyway, I think we are -- that we'll look at from the best sense.

So -- but yes, other than smart meters, the communication technology and whether it's an RF or some other technology, that plays a very important role in terms of making the entire system robust, but also on the cost component also.

So yes, we would be a little beyond the smart meter, but I don't think it would be 75%, but still it would be covering a lot of the critical areas in terms of costs as well.

Chandresh Malpani: Okay, okay. And sir, if you can break up like if we have to see INR25 crores smart meters to be rolled out. So what would be into like single phase, three phase, LTCT and HTCT. I guess these 4 categories are -- is included in this INR25 crores number?

Gautam Seth: Probably, I don't have the figures right away. Probably they could be available on certain public government websites. But the majority in terms -- if you look at the quantity, it is going to be the single phase, which is the highest because they have the highest users.

So I'm just going by the existing trend. Because eventually, they are replacing the existing system with a new one. So I guess the usage pattern and the population would remain the same. So it's going to be maximum in the single phase and then thereafter, it goes up, yes.

Chandresh Malpani: Okay. And sir, lastly, the way you see that HPL exhibited a few exports recently. So what has been your -- any comments on that?

Gautam Seth: No, it's good. In HPL, we are continuously -- we are reaching out to our customers because looking at our product profile, we are focused in almost every kind of segment, whether it is domestic or retail or even commercial, industrial, city infrastructure, which is the municipal corporation and the utilities and which now through utilities to the AMISPs.

So we are reaching out to all the customers. So recently, we did have a couple of exhibitions. So there was a Wire & Cable one, which was more focused on the specific customers, including the infrastructure segment for the Wire & Cable. We had the renewable energy, one where our solar products were there.



So we are continuously participating, and we reach out to various customers. And definitely, the exhibitions make a good way to connect or to even get -- to break into new customers.

Moderator: The next question is from the line of Ms. Mitali Shah, an individual investor.

Mitali Shah: I have a couple of questions. Could you talk about the company's recent revenue growth, particularly in the first half of FY'24 and the expectations of revenue and profits in the upcoming quarters? Also, how are the changes in our operating expenses affecting the profitability?

Gautam Seth: Okay. Yes. So we have seen a decent growth in H1 and primarily led by metering where we did 23% growth. And of course, our -- the order book has been -- if you see the fresh orders taken in the first half have been quite good right now and the execution in the second half has picked up where we see now on a quarter-on-quarter basis, the execution should become much more stronger and much better.

In terms of meters also, we are anticipating growth as the inquiries are also very large right now through the AMISP. So we are anticipating a good second half for the metering. And I'll take it a product by product. So it will be easy for you to understand. So...

Mitali Shah: Sure.

Gautam Seth: In meters, we are having a lot of inquiries, and we do anticipate that within Q3 itself, or maybe in Q4, we should be getting a lot of large orders in again. So that should look at a very good second half. And even going forward, maybe in the next one to two years, the order pipeline and the execution should be good.

Now looking at even switchgears if you look at -- we've had a 22% growth. So switchgear within the Consumer & Industrial also has been a steady growth. Of course, switchgear also has a very good margin profile. So that is something where we are again anticipating is a good second half.

Wire & Cable, we have seen growth in the complete -- last complete year even in the first half, we have had 17% growth. And I think even going forward, there also we are pretty confident. Only in lighting -- in LED lighting, although the volume has been fairly stable. The value degrowth has been there because of the erosion in value of the unit values of a lot of items because of change in technology.

And I think this is quite an industry-wide phenomena because when we look at the entire industry or even our peers or competitors who are there, I think many of them have reported a drop in the values. So somehow, I think with every change in technology or sometimes over the years, we do see certain of these things affecting the lighting.

But I think going forward, by this Q4, we anticipate that the value growth as well as the volume growth will come back and so that should become better. But overall, if you see the bulk of our portfolio today is performing well. We do see a good upside in the second half going forward.

Regarding the operating expenses, in the first half, overall as a company, we have grown 12%. And I think the operating expenses have still gone up by 3%. So of course, certain fixed cost



remains the same. And I think even going forward, we do anticipate a better second half. And hopefully, we should be looking at controlling these expenses to have a better margin from the business.

Mitali Shah: Sure. Also, if you can just update us on your export performance. Are we looking at any particular geographies as a high-growth opportunity?

Gautam Seth: Yes. Our exports have been steadily growing. I think the good thing about exports is that the last two to three years, we have built up a consistent performance across the geographies where we are. And also in terms of repeat businesses in terms of entering new geography, so there's been a fairly stable export growth.

The second half -- because there have been a lot of inquiries which we have been right now pursuing. And we feel the second half will be much better because right now, the -- in terms of order book, our growth is only about 9.3%. But maybe going forward, we are anticipating a better second half.

And -- but there's a lot of certifications also we could do for our products for international certification, which we have completed in the first half. So all that should bring in a couple of new fresh opportunities for us.

Now in terms of geographies, if you see, Africa has been the fastest growing for us, but even the Middle East and Gulf or the SAARC countries have been pretty good for us. So hopefully, this is something which, going forward, again, we do anticipate a good growth going forward.

Mitali Shah: Right. Also, could you discuss the company's approach to the capital expansion for smart meters as mentioned? Why was this done? And how will it help -- as in our capacity?

Gautam Seth: Sorry, can you repeat the last part of the question, please?

Mitali Shah: I'll just repeat my question. Could you please -- if you could discuss the company's approach to the capital expansion for the smart meters, as mentioned, why was this done? And how will it help us in our capacity?

Gautam Seth: Yes. So generally if you look at our capacity for the smart meter manufacturing is in place. And we have been -- our executions have been going up. But when we look at the inquiries what are there, and also partly the orders which we already have in our order book, I think the supplies of smart meters should really pick up in Q3, Q4, more specifically.

But by next year, sometimes -- it should peak. And any capacity expansion, what we are doing is more specific in nature because there are a few manufacturing processes, which we feel require much more capacity looking at the peak requirements to come in, in Q4 and the next year.

So I think those types of specific capex are being undertaken. Also, since the volumes are huge, and a lot of standardization is there in terms of the models and the specifications. So a lot of projects are underway right now for the automation. So to have a better manufacturing through automated processes and to have a better utilization or output of data coming in. So these type



of projects are going on. And accordingly, our capex has been structured on this part of the business.

So overall, when we look at next year, that is where we will see the smart meters rollout to be very, very strong. And a lot of new orders expected to come in. I think that is where this capacity expansion -- and with this automation, we expect even a faster and a better output coming out from the production lines here. So that should help us definitely in the future period here.

Mitali Shah:

So this is just my last question. How are we thinking on the smart meter trajectory over the next few years? Do we see any changes in the technology? Or is it stable?

Gautam Seth:

Yes. So definitely, the technology -- any electronic product has a change in technology and that is the nature of -- because one has a flexible way of designing the products.

So looking at -- if you look at the smart meters, if you go back even in the last two decades, every five years, we have seen the change in technology of meters from a regular electronic meter to a smart meter, we have, as a company, seen the transition and the next -- each time the next generation with better products, even in fact, even much more cost competitive products, better communication technologies being adopted. So we have seen that cycle. And right now, we have what we all understand as a smart meter.

Now going forward, if you look at it, the technologies will change. But right now, one has to understand that the standards and the specification of the meters, which we are talking about with the AMISPs and the utility, they are frozen. So although there would be -- this is my guess that there would be different ways of probably reaching those specifications, which will be much more advanced and other things. But broadly, the specifications under the -- let's say, the first phase of the smart meter rollout would remain the same because these are frozen by the government and the AMISP and our customers. So that is how it would be.

But going forward, when we look at -- let's say, after seven to 10 years, when we look at the next phase of smart meters coming in, there would definitely be much more smarter meters coming in maybe with better connectivities, may be totally redesigned with even effective costs and design.

So a lot of things will happen. And I'm sure our R&D, our teams, what we have, I would believe they are fairly -- we have a good R&D team, focusing on not only the smart meter, but also all the related technologies what go along with that in the entire smart metering ecosystem.

So I think a lot of -- we will see a lot of changes happening in technology. And the ability to cope up with those change or even drive those changes suitable for the Indian conditions is something that we will look at. And also, we -- just to mention that if you look at the capability, what we have because post the rollouts, what we do in India, which would be probably the largest in the world.

I would believe that any manufacturers in India who is sufficiently doing a good amount of work can look at the export markets in a big way, and international markets are also already some of



them are moving to the smart meters. But I would say the bulk of the requirements internationally would also come into the smart meter.

So maybe that can open out new markets for us because the existing designs, what we have or the technologies, what we have and the capability to change will help us to go into those markets in a bigger area.

Moderator: The next question is from the line of Mr. Aman from Aman Investments.

Aman: Okay. Sure. So I would say congratulations on a good set of results and seeing the margin expand further. Sir, I have two questions, and I will join again in queue. First, I wanted to understand our current capacity utilization, and also, how are we managing our receivables so that we can cater to these large orders and improve the metrics which we are talking about ROC, ROE going forward? I'll ask the second question after the answer...

Gautam Seth: Aman, I missed your second question, the first part, please.

Aman: Yes. Okay. Yes. Sir, first I asked, sir what is our current capacity utilization? And how are we going to manage our margins with the high receivables at the same time catering the large orders which we are going to get, or we are probably executing them currently. So if you can just highlight how we'll increase the ROCE and ROE and the margins with a such high receivables?

Gautam Seth: Yes. So regarding the current capacity utilization, I think at least in three out of the four product categories, what we have, I think our capacity utilizations have gone up. More specifically, if you look at the metering, I would say we should be anywhere between 70% to 75% of our capacity.

As I said earlier in the question also that there are some specific upgradations what we are doing in the capacity, which are normally in process items what we are doing. So that will further enhance our capacity. But right now, looking at the last three quarters and maybe even the next three quarters, what are there, we would see a quarter-on-quarter enhancement of our capacity.

So right now, looking at, let's say, a window of six months, one year, broadly, we have sufficient capacity to take on the orders what we have. But yes, we do anticipate this part to really peak by next year, and that is when the peak demand would be probably much higher than what we are currently anticipating. So that is how we are looking at it.

In terms of even Switchgear and Wire & Cable, we have seen certain good growth. And similarly, the capacity broadly you can say it is 70% to 75% capacity utilization at time, so that's where we are. Looking at the receivables, but I understood in the margins, even going forward, hopefully, this should be the way the Q2 has performed, we should be able to maintain those kind of margins going forward.

And probably in Q4 months much more smart meters and the metering business really expands. I'm sure the margins could be better from this. In terms of receivables, receivables have gone up because obviously the sales. But as more and more smart meter percentage goes up, which would happen somewhere in Q4 and then in the next year.



That is when we will see a much better variance, more specific detailed payments coming because a lot of those contracts, what we have are against from LC payments. And that is when we will see the debtors to come down like in a normal business, unlike what we had in the utility business. So overall, I think by next year, we should see a certain change in the working capital cycle of the smart meters.

And -- but that will only happen when almost 80%, 90% of the meters being supplied would be the smart meter, which I think should happen sometime next year. And hopefully, we should see a much better working capital cycle.

And to answer more specifically, if you look at the return on capital employed, currently, it is, I think, about 9.5%. But just if you go back maybe one, two years, we have seen certain improvements. And hopefully, by next year, we are well above this, maybe at 12% plus.

So I think are in a much more positive growth cycle. But I think as we go forward, we should see certain better margins, better revenue and also certain balance sheet key ratios, which we hope should also be much better.

Aman:

Okay, sir. Sir, the second question which I had, on the healthy balance sheet of both the DISCOM and model agencies you had mentioned that the major rollout will be happening in the next year. So which year on these healthy balance sheet, as an AMISP, I'm not seeing that energy that you are meaning to say more on manufacturing thing. Which states are we targeting mostly and how do we see the rollouts to happen in these states going forward? So that is first part. Secondly, last, I'll go to the following.

Gautam Seth:

So our -- we have been in energy -- we've been in electronic energy meter since 1996. So since last so many years, we have been a pan-India player always. We have been supplying to every - - practically every state, all the central utilities and even the government organizations plus the private players.

Now -- so for us, the pan-India and right now, the entire game is shifted through the AMISPs. So there are a couple of large AMISPs who have taken contracts in various states. So it's not -- they are doing it in one state or two states, but maybe across it.

So for us, the entire -- the market is all open. The entire pan-India market is open. So we are not targeting specifically against one state or another, but it is generally, we are targeting the business. And that is what we are hopeful to close and go forward.

So -- but yes, just on one point, what you made that a lot of orders, and I'm just clarifying that a lot of orders currently have been given to the AMISPs by the utilities, but then they also have to offload those orders to the meter manufacturers. So definitely, there is gap between that happening and when we also get the order.

Aman:

So sir what is being an AMISP, and manufacturer gives both advantages if I'm taking it right from your sense both the advantages?



Gautam Seth: No. No. It's separate business model because in AMISP, one has to finance the projects for 10 years. It's a different mindset. I would say a different way of working and a totally different financial model what is there in AMISP. And -- but there are large companies who have got into that and who are doing it.

Similarly, our focus is on the meter manufacturing. So I'm just talking about that the current orders what we hear about in the news are a lot of orders going to the AMISP. And by the time those orders translate to the meter manufacturers, there is probably a lag of maybe three to four months. That is when the order to us would start accruing. And thereafter, the supply should start.

Aman: Perfect. Sir, in the last point, just a follow-up. In the last call, you had mentioned the lag from the AMISP to the manufacturer is around six to 12 months. Has it reduced to two to four months, am I getting it right or it was like generally three to four months?

Gautam Seth: No. I'll just clarify. Let's say, the -- almost the INR2,000 crores orders what we have, for us to start supplying on confirmed orders normally, there is a gap of six to eight months. So if you see the orders we received in the first quarter, many of those for supplies would start probably in Q3 or in Q4. That is how it is. But as the AMISPs are taking the orders, they are any way when they take orders, they have any way already tested our solutions, our product.

Moderator: Gautam, sir. Sorry to interrupt. Sir, your voice is not clear, sir.

Gautam Seth: Yes. So I was just saying that when confirmed orders are coming from the AMISP to the manufacturers, that is when a lead time of six to nine months is required. And the gap is not because of the major manufacturers, it is because of the ability of the AMISP and the utility to receive those meters and installed that. There is a lot of preparation work happening at the utility and AMISP, they can taken the smart meters and install them.

The gap of three months what I'm talking about is when an AMISP receives the order, he needs to offload it. And in this time starts immediately. So there are deadline schedules, which are involved. There are other things. So that is when.

But still by the time they evaluate, and they gave it, certain time gap is always there, but -- so that is it. So there is a certain lag of gap -- when -- let's say, we as a manufacturer would get it from AMISP. And thereafter, the reparation work happening by everybody in the ecosystem so that the meters can be supplied, which, of course, is about six to nine months.

Aman: Perfect. Sir, if you have -- in RDS scheme. The second question in the RDSS scheme, there is INR1.5 crores also allocated to distribution infrastructure. So are we play any -- do we have any plans to monetize the distribution infrastructure as well or whether our alternative business, which is non-metering segment, are we benefiting it from any debt verticals? I just wanted your comments, sir.

Gautam Seth: Yes. No. So on a macro level, I would not be -- I don't know what it could be. But for us, as I indicated- manufacturer of all electrical products. So meter, of course, is a very strong component in the RDS scheme where the smart metering is happening.



Now apart from that, since the last couple of months, a lot of our switchgear items are also going in the RDSS scheme, almost in the similar installations. Now we have seen interest coming on the Wire & Cable also.

So overall, when the distribution infrastructure is getting upgraded, definitely, it provides an opportunity for a company like us to have all their products spec and have the supply is going there. So definitely, it is going to help our other products as well.

And this one being a very large scale setting up the distribution infrastructure. So definitely, I think every product, whether it's wire, cable, switchgear or I'm talking about the industrial part of switchgears or even the domestic one. So every product has an opportunity, and we are already exploiting it through the various contractors or the installers who are working on the field.

Moderator: The next question is from the line of Mr. Mudit Kabra from Elara Securities.

Mudit Kabra: Congratulations on great set of numbers, sir. Firstly, can we have the growth numbers for Wire & Cables and Switchgear segments, specifically for Q2?

Gautam Seth: I think I have the H1 figures. I think it's about -- but it's almost on a similar pattern like if you see Switchgears, I think 22% in the first half. And -- but through -- all throughout both the quarters, we have seen some improved growth coming in and similarly in Wire & Cables. So I think this is because Wire & Cables even last entire year, we had almost 20% growth.

So overall, when we look at these two segments because of the -- a lot of infrastructure spending because of the housing coming back, I think that is where we are seeing a growth across both these segments. So although when we look at the overall Consumer & Industrial, barring lighting, which has certain changes in the industry overall, the pricings have come down. But other than that, these two segments have seen a good growth.

Also in Cable & Wire, we see a continuous business of the -- to the telecom sector for the 5G cable. So we are seeing that also steadily increase. In fact, in just the last two months, we have closed two new customers in the 5G segment. And so some of our -- the specialization what we have been doing in the last three to four years, so that is gaining much more momentum.

And that -- but that's also a continuous business, which would at least go on for the next one to two years. So overall, those segments are both -- we do see growth in the second half as well.

Mudit Kabra: Fair, sir. And secondly, like if I'm doing the math within the order book, smart meters might have grown by 17% on a quarter-on-quarter basis, while other than smart meters in the metering segment, looks to have dropped by 38-odd percent on a quarter-on-quarter basis. Is this attributable to some sort of demand weakness?

Gautam Seth: No, I -- frankly, I didn't catch the math. But just one thing. We are sitting on about over INR2,000 crores of overall orders. And the bulk of them, of course, are the metering. Now the -- still, apart from the smart meters, still certain states are giving in the regular meter orders for -- just to cover up the gap while the installations are going on. And maybe for some more quarters, that will also go on.



But the bulk of the orders, what we have right now are all smart meter orders. And even going forward, the bigger inquiries what we have are all smart meters. So as a trend, yes, the smart meters would really go up in a big way and maybe sometimes in the rest of next year or maybe even a little beyond that. We would see most of them being only smart meters. But still it depends on the pace of the execution, what the utilities and the AMISPs can have, and that is when we -
- we will also see the full change happening.

Mudit Kabra: All right, sir. one last question, sir. We had 1.1 crores smart meter installations in the last year as you have read in the presentation. Any guidance on FY'24 target installation numbers?

Gautam Seth: No, those are -- that is the capacity number, I think you're talking about. So we roughly -- let's say, we are at 60%, 70% capacity last year. But this year, it will -- definitely, the numbers will be better. But you also have to understand that in smart meter, even the values are higher.

So right now, as and when the installation happens, we will see a better utilize the capacity utilization happening. So -- but there's no specific number probably I can put in right now. But yes, we are eventually looking to make over one million smart meters a month. That is how we are looking at.

So going forward, that would be the target. And I'm sure we are the kind of automation initiatives and the other things -- the capacity expansion, what we are doing. Actually, we would be basically meeting those figures, yes.

Mudit Kabra: Fair enough, sir. All the best for the team.

Gautam Seth: Yes. Thanks, Mudit.

Moderator: I now hand the conference over to Mr. Mudit Kabra for closing comments.

Mudit Kabra: Thank you. We thank Mr. Gautam Seth for giving us an opportunity to host this call. We also thank all the investors and the analysts for joining this call. Any closing remarks, Gautam, sir?

Gautam Seth: Yes. I'd like to thank everyone for coming in and for their participation in our conference call today and for joining us in our growth journey. So happy Diwali to everyone here and please have a pleasant evening. Thanks a lot.

Moderator: Thank you, sir. On behalf of Elara Securities Private Limited, that concludes the conference call. Thank you for joining us, and you may now disconnect your lines.