

Welcome to the meeting and the call. So, Mr. Sairam, CFO, myself, the company secretary and Mr. Ramakrishna is present in the call. He proposed to present a presentation on the product portfolio and what the business scenario of the company is to give a broader outlook of the company's businesses.

So, we are just sharing the presentation to the audience now. Hello. Yeah.

Hello. Hello. Mr. Bharat Shah will be available after five minutes.

Can you just hold on? Yeah, no issue. Before that, my apologies, it's a long pending, I think the last one was done last year. And today, I realized that it's very difficult to hold an investor's call after a heavy lunch for both you and us.

So, next time we'll plan in the morning itself. Yeah. Hi, sir.

This is our staff. Hi. Hi.

Mr. Sairam. We are very much ready and to go whenever you are. Yeah, I will start the presentation.

Two things. Yes, sir. We can start now.

One is, my throat is bad. So, I'll speak as much as I can. Second is, no forward looking statements, please.

Sure, sir. You are able to see the presentation? Yes, sir. We can start now.

Yeah, we'll be starting now. Hello. Hello.

Hello. Hello. Hello.

Hello. Hello. Hello.

Hello. Hello. in the field of HVL and the various technical gaps and to identify that HVL always follows a six-pillar strategy based on the founder's background in learning and teaching and practicing both on technological development and management.

The first one to go was on the specializing of batteries for defense industry where this strategy was applied. And later on, we applied the same thing to industrial batteries for defense electronics like the signaling and going forward for the fuses and EDT, which is the electric drivetrains. What is this strategy meant? One is we believe there is a technological gap.

And why this gap exists? Because many of the Indian companies, they rely on the foreign technological collaboration where the foreign companies never give that transfer the technology as a result of which there will be a technological gap exists, which offers for a business opportunity. And based on the judgment, whether we should, whether we can, product can be developed or not, based on the engineering talent, we decide. The other one is the business judgment, which is to enter to choosing a nice niche market either too small for big firms or too hard for a small firms.

With success, there will be a less competition because you will be realizing a better prices which leads to a good return on the investment what we make it. A single product as a student of finance, we all believe that diversification, a single product is always a too risky. So we rely on the related products for which the technological and market extension is required.

And when we choose the products, we choose the related technologies. And to develop that, we develop the technology immediately instead of relying on outsiders. And we tap the HBL labs, the diversity of talent and encourage the entrepreneurial spirit within the company.

How we see the segments? One is industrial batteries. Second one is on the defense and aviation. Third one is on the electronics.

The fourth one is other business segments. Industrial batteries, basically is on what is a lead batteries, meant for telecom and railways and other applications and PLT. Other one is the nickel batteries meant for railway and other industries.

Defense and aviation, which is a silver zinc, meant for torpedoes, lead batteries for submarines, lithium batteries for underwater applications and AIGO for torpedoes. And we also do exports. And for aviation, we do the nickel aviation batteries.

And we have missile batteries both for domestic and export. The other one which we are intending to enter is on the fuses for electronic fuses and reserve batteries. The good story today is on the electronic segment, which is the DTAS, which all of you know, the railway signaling.

Other one is the motors for e-trucks, which we want to convert, we intend to convert the diesel trucks into electric truck. And we have one more subsidy, as you all know, called electric fuel limited, which is a charging station. And then we have lithium batteries for railways, e-trucks and defense industries.

And the last one is for electrified systems.

The other one you know macroeconomic savings for the HBL products that is made by HBL or essentially replacement products for the essential infrastructure.

Here the demand is less subject to the state of overall economy. The other one is the electronic surveying is a great investment for highways because it enables the high utilization of existing track for infrastructure. The other one is the safety of the roads.

Defence innovation is at last being taken very seriously. The other one is the electric mobility is necessary for energy security which reduces the petroleum imports. Sir, somebody is still there.

And diesel prices always goes up. Hi, sir. Hello.

This is the comparison of the last year actions and what is what we expect the forecast to be as for FY25. For FY24, we need a top line revenue of 2,209 crores. Hi, sir.

Yeah. The forecast for FY25 was 2093 with the bid of 407. Industrial batteries is flat compared to the last year.

Slight increase in defence batteries, 222 versus 180 what we posted last year. Electronics, which is the TCAS mainly is whatever the existing tenders we had will be completed by this year end. So, that comes to about 421, including the TMS and others is 26.

Catches the expected powers tenders on has been not being factored because we are not aware when it will happen. Any questions at this stage or should I proceed? So, you want to go by let's say in between or we'll ask question at the end. How do you want to go about this? Okay.

And then I'll take all the questions. I'll run through the presentation and then I'll finish it and then we can start the question and answers. The basic strength of the company is to develop the technology in-house as we believe that both the physical and intellectual infrastructure already exists to support the steady growth.

SBL market position always has been either one or two except telecom towers where we have three and we don't want to go below that. And much of the R&D has been expressed out. So, that is why you would have seen the profitability in the previous years was low and going to be higher going forward.

On the financial metrics, we enjoy credit rating by care on long term of care positive and for short term, it's A1. All bank obligations has been met without any for the last 41 years without any rescheduling. Sorry to interrupt you here.

Yeah. This year, we expect a capex of about 175 crores and then after meeting all the capex and the working capital, we believe the total debt will be about 0.2 again is the net worth. The last one is we believe we are the dividend policy.

We increase 5 percent every year and for March 24, March 25, year ended, 25, 24, sorry, the board recommended a dividend of 40 percent subject to the shareholders at the point. Yeah, as I was mentioning, the R&D will be lower going forward and HVL aborts to take the risk of lots capex intensive products. The other one is HVL always aspires to be a high-value technological based business like the leading metal stand form of Germany.

Organizing the engineering talent to fill up the gaps is the remains the main purpose, main focus of the company. Next slide, the presentation. Most telecom are high or value-based VRLA, what we call value-regulated debt asset and this technology has been developed in-house.

This is a B2B procurement by private telecom operators and tender is a tender based by BSNL. There are only three firms in the telecom market today versus six firms which existed about 10 years back. Amara Raja continues to be the highest share followed by Exide and then by HVL.

Amara raja and Exide are both expanded capacity only to find out later on the demand has been declined. This excess capacity has depressed the prices and margins are low especially on telecom. Addition of 5G towers has returned to normalcy on replacement schedules which we see some demand with effect from 5 to 24 hours.

Every rail and metro coach needs a battery either it will be a lead acid or nickel cadmium alkaline batteries. HVL has been a recognized supply in India and also we do exports outside. HVL is the second largest producer of nickel cadmium batteries globally and Siemens America has brought HVL batteries for coaches which they sell to Canada and we also received repeat orders for New York metro station and also from Hitachi, Italy.

There are many industries where nickel cadmium pocket lead batteries which we call NCPP are used because of the reliability and safety which is a paramount importance. Oil and gas is one of such industry. We have been supplying to Reliance Jamnagar refinery factory right from its inception and HVL is also exporting these batteries for 30 years and recently we entered into new markets like for Saudi, Libya, Bahrain and Iraq.

PLT which we call pure lead tip batteries or the batteries which are designed to deliver high power whereas for short duration. This is basically used for engine starting. Humans resells HVL made batteries under its brand.

It is, this PLT is also used for battle tanks. Excuse me, sorry to disturb. Can you please move the slides as you speak? Yeah, I am speaking the same slide now.

The PLT, which is we call pure lead tin batteries.

These are basically designed to deliver high power for shorter durations, meant for stationary engineering starting. Humans research the HBL batteries, made batteries, and I assume brand. These type of batteries are also used for battle tanks, armored trucks, even operating at minus 30 degrees temperature.

HBL also exports BR-100 batteries to Kuwait, UAE and Kuwait. And this type, these batteries are also preferred for data centers. HBL is the only producer in India and second in the world based on in-house development for technology.

The other one is the other type of batteries is a lithium ion battery packs, energy storing system supplied with these imported cells. And the gel made the battery monitoring systems or a market where HBL oversees a brand going forward. Moving on.

With the Indian Navy. But it will export these batteries in limited numbers. HBL has two contracts for from NSPL and DRDO for development of state-of-the-art AI Revo torpedo batteries.

Only two companies in the world make such batteries as on today. Category is missile batteries. Most of the missile batteries used in India are designed, developed and manufactured by HBL.

Including for the latest Agni 5. HBL exports missile batteries to Israel and UAE also. And there are very few manufacturers globally manufactures these batteries. Aircraft batteries, HBL took 60 years to develop these batteries for aircraft.

From 1977 to 1983. This is developed based on the technology for a center plate nickel cadmium batteries. Today, HBL supplies almost all batteries used by the Indian Air Force.

Globally, there are perhaps only four other companies in the market. The FFA and EASA has certified the HBL batteries as acceptable for Boeing 737 and Airbus 320 series of the aircraft. But the sales could not have occurred because the companies which are insuring the aircraft.

Insists for the OEM to approve the batteries used. However, OEMs are different to the cost saving by buying from HBL. Company also received the clearance certificate for its product induction in Pilotess V8 and V5 aircraft.

Company continues to export batteries to Bombardier for use in Global 7500 aircraft. And Israel Aerospace Industry IAI for use in UAVs. The submarine batteries in India are called tubular plate liganded acid.

HBL and Exide, both companies supply the same type of batteries. Tenders would decide who gets the business. The average life of the submarine batteries is four years.

And the cost is about 15 crores. Market is small, but still to grow. HBL has export opportunities because there are less than 10 companies globally which manufacture these batteries.

HBL has been awarded the contract by NSGL and DRDO to develop the prototype modules for lithium-ion batteries meant for submarine application. HBL has supplied Type II batteries meant for use in HTW sub German Fischmer class submarines. The other one is the Kavach, which we call the Trim Collision Avoidance System, which I think everybody knows.

HBL has been the pioneer with the help of RDSO. The demo trial has happened in October 2012 at Tandoor in South Central Railway. The railways have announced that they will install Kavach for at least 30,000 kilometers of track in 10 years.

There are only three companies approved for supply of Kikas. Interoperability among the three designs has been established. New suppliers, whoever they want, must also be interoperable with the current suppliers.

And this is going to be a time consuming process for the new companies. HBL has awarded four EPC contracts, which on hand has about 686 crores expected to be completed by FY25. The EPC part has been subcontracted.

The Kikas part varies from tender to tender. For Tandoor, Kikas part averages about 30%. Last year, till October, it was about 48%.

52% of these contracts has been completed last year. The remaining 40% we expect to be completed by FY25. The expected service life of the Kikas system is 15 years.

There also, electronic systems need maintenance and railway space for this annually after first few years. The other application is the train management system, which is a master control center, where will be a huge display panel, shows the status of all the trains in the territory of that system. There are very few systems in use today in India, and few have been imported.

HBL is the only approved and proven Indian company for TMS. HBL's TMS system is certified for SIL2 by Bureau Veritas, Spain also. The TMS by HBL has been inaugurated by General Manager of Eastern Railway and Sadal Division of Eastern Railway on August 31, 2023.

A slow growth is expected in FY25. The other one is that compared to Kikas, the value of business is very small, almost 200 crores per year, and the average contract varies from 40 crores to 50 crores. HBL has made a strategic investment of about 86.67 crores in a Tonbo imaging system, private limited, by way of cumulative convertible preferentials.

Tonbo imaging is an Indian company that supplies individually designed and manufactures electro-optics imaging system for surveillance, reconnaissance and targeting. Electro-optics and imaging subsystems are the eyes and brains of surveillance platforms and weapons systems. Tonbo imaging has built a large portfolio of products addressing the needs of land, air and missile systems.

It counts among its customers global military forces, special forces and internationally tiered defense manufacturers. The other one promising is that apart from lithium-ion, India currently imports motors and controllers for most electric vehicles made in India. HBL has been investing on in-house development on all the products of technology for motors and controllers since 2017 and is planning to test the products on highway in this calendar year 2024.

There is a huge plan to convert the old diesel highway truck into electric truck using HBL made motors and batteries. The solution does not need any subsidy. The benefit to the operator varies based on its use conditions and customers will be invited by invitation.

Sales are expected to begin in FY24. The number of old trucks is very large but the HBL solution will be viable only for a small percentage of them. Even the scope is huge.

We want to focus on 55 truck gross weight. Grades for electronic fuses under a development production partner contract with ARDE DRDO. Grades made by HBL has been approved by the Ministry of Home Affairs for use by the paramilitary forces.

Sales to MHA are expected to begin in FY25. Electronic fuses are essential for reliability and safety. HBL is the only supplier for the electronic fuses and can supply to other firms making the rest of the grades.

HBL has the facilities and licenses for handling explosive materials. A fuse is a complex device that ignites emission. Electronic fuses are preferred to mechanical fuses because they are more reliable.

Over the last 15 years, HBL has developed 100% in-house technology for electronic fuses for grenades and other ammunition including artillery guns. HBL is the only Indian company

with 100% immunization. ECIL, DAE and BL Modi has been supplying electronic fuses for artillery with import content of more than 80% of bill of materials.

Modi says it wants Atman Nirbhar. HBL fuses have been tested on army guns many times. Eligibility for bulk supply is expected during the current year.

The market is huge and there are very few companies in this area globally. So we expect exports also to grow in this segment. HBL has been proven capability for manufacturing complex defense electronic products.

The one is a digital control harness. HBL developed product has been installed in nearly 6,000 armored vehicles to be used for communication in the battlefield. All new armored vehicles being built will use this ETCS as their original equipment.

HBL is the only supplier but the market is not that big. Integrated platform management system and steering consoles for the four Scorpion submarines were built to print by HBL and supplied to the OEM which is the Naval Group France. All these submarines are now in operation.

Thank you. And now I think I completed the presentation. People who want wants to ask.

Sorry. Hello. My request is not to ask anyone the forward looking statements.

So this is Rahul. Hello. This is Rahul Jain over here, sir.

Can I go ahead with my questions? Yeah. Hi, Rahul. Three questions.

One, Kavach. So, post the formation of the government, the new ministries have set in. So, typically at what stage do you feel now the new tenders which are supposed to come in? At what stage they are? When do we expect the new orders to be the tenders to be done and also the award of the orders? Any talks going on or typically at what stage we are? That is my question.

Number one. Shall I put all the questions one by one? Please, please, please. The 2nd question is on the electric drive trains you mentioned in your remarks while presenting that the scope is huge.

In spite of this being used for a certain number of trucks. But still, the scope is huge. So, if you could share some more details.

In terms of, because you mentioned that the revenues are expected to start in this current year, 525. So, typically, I'm not asking for a guidance apart from what you mentioned in the presentation. But what is the scope of work over here? Typically, how does it work? You know, per vehicle, what kind of revenue could be done? And typically, you know how many vehicles the potential is.

And similarly, electronic fuses. We have been working on it for a longer time. And we expect the sales to commence in this year.

If you could throw light upon what kind of potential we see over there. Over a period of next 2 years. And along with the margins in both this business electric drive trains.

And also the margins in electronic fuses. To reply to your 1st question. The tenders have not been included.

The past experience is. Even after the government announces. It takes about 6 to 7 months.

To do the documentation from where it starts. So, we don't foresee any revenue. In this year, though the work may start.

Even if the tenders are announced. We catch up the next year. By the time we start billing them.

And the 1st query. Yeah, just a clarification. So, typically this tenders, since they're coming after a long time, and there was some discussion about this tenders, even prior to the general elections.

Probably got delayed. So, this time it could be probably club together and the size could be much larger. We are to wait and watch what they want to do with us.

This month. So, we need to wait and watch what they're going to announce. And much clarity may come by end of this month.

For the intent to. Sure. Regarding the electric drive kits, which I presented.

The trial runs are going on. So, once the testing and everything has been done. Then the operations will start.

They are, as you know, the trucks, they are different categories. There is a dual track. There is a 35 track.

There is a 55 track. There is a 70 track. There is a 100 track.

We are focusing on the 55 only, which we want to do. Yes, I don't know. I can't.

Quantify the numbers, but I can say. 55 trucks, diesel trucks, there are many in the market. The margins, the revenue will depend upon.

One is the contract with the customer. The second is the life of. They expected the remaining useful life of the truck there.

The condition of the vehicle. Based on all this. Going to be a factor.

And the margins in this business will be. Around. I can say decent.

Okay. The electronic uses. This still it is in the process that tenders.

So. It will take time for us to come back. What could be the volume? What could be the revenue? We don't know.



Going forward. Unless the government and. We don't know.

So, but when will your. Actually for electronic fuses be ready. The testing part is over.

We are just waiting for the. So, all clearances have come from the government now. For for the factory to start production.

Then the testing has been done. Yes. No.

No, the question was, I think Sudhir was asking whether. Assuming the tender comes tomorrow. Are you licensed to produce and sell? Yeah.

I mentioned in the, I mentioned in the presentation. So we have all the licenses. Okay, great.

Thanks. Thank you. Hello.

In the 686 course, what I mentioned is. 52% has been completed in a 524. About 48 percent is still pending, which will complete in FY25.

Okay, so the partial work is already done, it is just that once we complete it fully, it is when we can book the revenue. Yeah. Your voice is breaking, sir.

Okay. Secondly, so I think there was this news that one of the delays for new orders or execution of the existing orders is because the overall system itself is getting upgraded from 3.2 to 4.2. So, what is the number over there? Has that update taken place or we are still in the process? It is not 3.2. Now, the version what is they are asking is for 4.0 version. That is not a cost for the delay in the next tenders, which are for 4.1, 4.0, we are already there.

So, the new one is, the new government is yet to announce for the new tenders. Okay. Sorry.

Yes, sir. Okay. Lastly, I think there was another news report recently wherein that one of the railway ministry official was quoting that in order to accelerate the rollout of SCAVAD system, a lot of new OEM partners have been looked at, say Simons, Cairn, BEL, but you have always said that it will take a long time for any new OEM to come in.

So, based on your understanding, do you still believe that in the next one and a half years you might see some new players coming in or that is a very unlikely outcome? See, one is the new version, which is 4.0, second is the existing also requires an internal operability who is developing the software that has to be interoperable with the existing one. For any new person to enter with this kind of software, it takes up a long time. I don't think near future there'll be a challenge on this, but there could be some some ways we don't know.

As far as Simons is concerned, they tried long time back and their cost is very high, that is why government has invited the Indian companies to do this. Okay, that was all. Thank you.

Yeah, Mr. Goyal, please. Hello, am I audible, sir? Yeah, please. Sir, my question is on coverage part only.

So, how has the increase in the number of bidders for coverage tenders affected the company's market share and how it is going to affect the market share in future for us? Can you repeat? Sir, I'm asking about the effect of increasing number of coverage producers in India on our market shares going ahead. Number of increasing coverage manufacturers, as I was saying previously also, any new person who has to join, one is it requires an interoperability with the existing suppliers, with the three suppliers, which is to develop that kind of software is going to be a time taking process. It's not that it's rolled out, but it's a time taking.

I don't think any new player in the short run will be there in this. And, sir, how the upcoming orders will be split between existing three players, like it will be a 33 percent kind of market share or how it is going to be? In that, it is decided by the railway board. It's on a tender base.

So, they decide what percentage has to be given to whom. So, right now, what is the arrangement? Yeah, the share depends on each tender to tender varies, the board results. Understood, sir.

And secondly, on the data center part, like what are the initiatives are companies taking particularly towards the pure lifting batteries and what are the opportunities are we seeking in this data center market? There are many players are there, but our PLP is also used for the data center. Market is huge. We are waiting and watch.

So, are people witnessing any kind of traction in FY25 from this particular site? It's in progress. Understood, sir. That's it from my side, sir.

Yeah, Mr. Arafat, please. Thank you, Goyalji. Yeah.

Hi, sir. Thanks for taking my question. I am audible, sir.

Hi, Arafat. You called me so many times. May I? Yeah, yeah, sir.

A couple of questions from my side. Sir, if you see from your last guidance for FY25, revenue has cut almost by 25 percent. So, that was mainly led by kavach, right? Or any other, let's say, thing you expect that to delay?

See, when I shared the revenue guidance, the batteries, the industrial batteries is flat, which is about 1,423 crores, there is an increase in the difference in aviation, now the other one is the dip has come in the electronics, because whatever the existing is there, we are going to complete by FY25, awaiting for the new tenders to be announced by the government. Fine, fine sir. And electric drive trucks, the trial runs is going on, so once all the formal approvals has been taken and then there will be a good market for that also.

Yeah, fine, fine, fine. And sir, let's say, I just want to point, yeah, so yeah, I'm still waiting. So sir, let's say the last time the government announced the order was almost 2,200 rupees, so let's say it's among the three players, right, but now if you look at, let's say, number of players, let's say increasing, in fact the various AMS players like, let's say, Avalon and Keynes also entering this space, and so how do you think the market will shape coming years, any

progress on that? The Siemens or Keynes, which is the MNC company, they are costly compared to the Indian companies.

So I don't think there the competition is going to come, there could be one or two players in other parts of the country, but as I was mentioning, it requires an interoperability with the existing players. So in the short run, I don't think any pressures or competition is going to come. Sure, sure.

And sir, I just want to understand, what do you think for the electronics in electronic driving for trade trucks? Electronic driver case? Yeah, so I just want to understand, in electronic drive trains for trucks? Yeah, one is the testing is going on, we want to do conversion for 55 trucks capacity. Sales may start this year, but going to grow big in the next year. As everybody knows, there are a number of trucks in this country, 55 tons truck, diesel trucks, which they may get benefited by converting into electric one.

Sure, so the cost will be borne by the truck owner at the initial stage or you will be buying the truck as well? The battery and the motor will be borne by the truck person only. And he will be saving based on the differential between the diesel price and the electric battery cost. Okay, okay.

And just last question, from my side, so let's say total order for you in the summer, it's about close to let's say 1000 trucks, right? Or I'm missing on that. What is the left, right, and the current stage? Your voice was broken. Can you repeat, Arafat, we are unable to, the voice is breaking.

Hi Raj, what is the size of the order under TCAS? Initially, I read you said around four contacts were given to you. And what is left now, current order book? What is the current order book from the cover system? Last time, it was announced for 2000 kilometers. And then that gets completed by end of this year.

The fresh tenders, we are waiting, we do not know what Railways is going to announce for how many kilometers. Next time, next time. Yeah, I think, can we go for the next people, please? Yeah, Mr. Aman.

Hi, sir. Thank you for taking my call. Sorry.

Sorry. So, should I go? Yeah, sorry. Because either of you is okay, Mr. Hardik or Aman.

No problem. Just go ahead. Yeah, sure.

So, I'll go with a couple of questions, sir. This is Aman. First is on the defense battery side.

So, we are seeing major shortages all around the world. So, could you talk about any numbers in terms of order book or have you received from any new inquiries from the like of say Europe or Russia or US? And what is our current capacity in defense batteries as of now? And what is the sales, maximum sales we can do? How is this segment growing? This is the first question. I have a few more questions.

Yeah, please shoot it. Then I just starting it down so that we can answer. Sure, sure.

So, next question is, sir, on Varunastra torpedo batteries. So, I believe that battery sales should be over by now. So, just wanted to update.

Have we received any other batteries order? There is talks of this Takshak, which is electric heavyweight torpedo batteries development. So, have we got orders for that? And in the AGM, sir, I talked about we are trying to develop a couple of interesting products like homing head and even motors or torpedo. So, when can we start seeing the sales of those products? So, as of now, my understanding is we are only selling batteries, but we're from this year, FY25 or maybe FY26.

When can we start seeing the sales of the motors for the torpedoes? That is my second question. Third question is, sir, you've talked a little bit about the fuses, but there's one more interesting defense product that we are doing, which is grenades. So, any update on that part? Because sir was talking about a very big capacity we can set up and we can do with even 1000-2000 crore of sales from that facility in the AGM.

So, any update on that? And any possible partnership with any public sector company? Because it seems it's very difficult to get the tenders directly, but any possible tie-ups for fuses or grenades with any of the public sector company? Last two questions, sir. One is on the PLT battery side. So, I think last year we were able to do some export sales with the help of the Singapore Entity Company.

So, any big orders that we have received in export? What is the current mix of PLT batteries domestic and export? And because data center is growing very fast, so could you talk about that part? How is that segment growing? And final question is on the electronics interlocking, sir. We have not heard a lot about that business. I understand government is focusing a lot more on coverage, but this is also a very big opportunity.

So, what is our order book in electronics, electronic interlocking? And TMS, sir, last year there was a lot of these trials and we had a visit from someone in the division head. So, this was still, you were talking about 200 crore per year opportunity, but when, FI25, can we achieve this 200 crore or in FI26 we'll achieve this? These are the questions and one on Tombo also. So, what was the Tombo sales for FI24? We have the profitability number shared, but we don't have the sales number.

And if you can also talk about the order book in Tombo currently and what are the next growth here targets for Tombo? These are the basic questions I have. I'll answer the last one first. So, the Tombo last year did it about 500 crores turnover.

They have an order book of about 550 for FI25. They expect to do about 560 crores turnover this year with a profit of about more than 100. That is what you want from Tombo? Yes, sir.

They have a pretty order book, good order book. TMS, Electrical, Intermarketing, PLTP, these two are to go. TMS, we are expecting the overall is about 200 crores, but per contract is about 30-40 crores.

We expect this year TMS revenue to be around 30 crores only. Then the main focus from value is coming on because compared to the TMS. So, can we achieve that 200 crore

number which is the aspiration in TMS next year, FI26? Based on, see it is based on, we are the only supplier, but it is depends on the railways what they want.

Sure, sir. Interlocking is yet to start. So, we have to make a progress.

Once again from railways. This also depends on the railways. And as far as the PLT is concerned, we already have the exports battery, sir.

We are already exporting it. So, we expect the business will further grow because on the PLT battery in the export segment. Yes, sir.

I was checking on the data center side. So, I believe we were exporting to the likes of Cummins for the engine starting, but have we started exporting for the data center? No, not yet. No, other applications, not the data centers.

And regarding this fuses and grenades, basically it is both interlinked, sir. We are manufacturing the fuses and the electronic, electric fuses, which can be used in the grenades and other this thing. And we are expecting the tenders this current financial year.

So, that is what Mr. Sairam has briefed. We expect some sales in the current year and going forward. The business is huge.

The defense has to close the commercial terms and issue the orders. So, we expect further growth in the coming years. Regarding the homing head and other motors for top-down, we are in the developmental stage and we expect going forward only.

The commercialization is there. And regarding the Varunastra BDL order, we are already executed. And we hope, we are expecting the repeat orders and the new tenders from the BDL for the top-down batteries.

Sure. There was this question on the defense battery. Yeah, that is what happened.

The defense also, if you look at it, the outlook is the last year 90 or sales, we expect to be financially at 22, it goes up to 222 crores. So, all these defense products expected to further growth in the financial year 2025. Sorry, what is the capacity in defense batteries?

Maximum sales we can do? Defense batteries, when I say, we have a silver zinc battery, we have a lithium carbon battery, and we have a sunrise.

It is a center plate also in CSP. We could see the growth coming now in the lithium carbon batteries compared to the last year. Sure.

So, combined all this, is there a capacity to do say like 300, 400 crore sales also? Yes.

Capacity is not there. We have these things because the delivery schedule will be staggered.

The inspection, the design, what they wanted. And have you seen any demand from new countries like Europe and Russia and US because of the current geopolitical situation? Inequalities, there have been visits by them. Sure, sir.

I think I will come back to you. Thank you. Yeah.

I hope we are addressing all this. Mr. Hardik, please. Yeah.

Hi, sir. Thank you for taking my question. So, the new players will be just focusing on the implementation part, right, currently? Which new player? Which segment, sir? Is it in TCAS? TCAS, TCAS.

Kavach, Kavach. New player, new player will be? Just focusing on the implementation part, right? Can be a supplier for the industry also. Probably as a software.

Okay. Okay. And what are demonstrated margins in the Kavach segment? It depends on contract to contract, segment to segment.

In railways, each one is a different one. Because you have a concession partner also in that, for installation and commissioning. What I can say is a decent margin.

Okay. Okay. Because some of the PHUs are guiding for low T&Es margin.

Yes, sir. Any other thing, sir? Hardik ji? No, no. That's all.

Because the scope is not the same, the kilometers, the scope, the... Locos, stations. It depends on so many factors. Number of locos, number of stations.

Then the concession partner does the INC implementation commission. I can say it is a decent margin. Yeah.

You said, if you are... Hardik ji is over, then I can go for the next one. Yeah. Mr. Darshit Shah, please.

Yeah, sir. Kindly. Sir, so on the Kavach front, there are a lot of things that we kind of read from articles and sources in the ministry.

One thing is that probably there has been a delay and what we read is that delay has been from transition for the TCAS system from 3.0 to 4.0. We also read that there have been execution issues at the existing players and that's the reason the ministry wants more players to kind of pitch in so that they can do bigger tenders. So, sir, can you highlight what's been the ground situation? Why has been this delay? The government is kind of pointing towards the players in terms of execution front. So, can you broaden this perspective from your angle? There is no execution delays.

What has been committed, we have completed. Otherwise, the board is not going to keep quiet. So, that is for all the three players you mean? I don't know about the players, but I am saying HBL never defaulted.

Okay. And has the execution been on the track for us? That's what you mean, right? Yeah. Whatever has been defined, what has been awarded to us, we are doing that.

It's not a problem. So, for the delay, I understand you must be in touch with a lot of railway ministry officials and the senior people there. So, sir, what's the date for this kind of delay in issuing tenders from the government side? Sorry.

Can you hear me? Yes, sir. Yeah. Yeah, that's it.

Yeah. So, I was asking, I understand your team must be in touch with a lot of senior ministry and railway officials. So, sir, what's your take on why has there been a delay in issuing this tenders? I mean, since last two years? No, they are supposed to announce it.

There was a delay from the side. Basically, what I feel is the coordination between the departments there. The political scene is happening.

And sir, one thing of the electric fuses and grain size, can you highlight what's been, what's the kind of market opportunity in this for players like us? I mean, in terms of how much does the ministry probably can take? Electronic fuses and grenades. Can you highlight what's the market opportunity for India currently? Market is huge, but it depends on how much they want to award, when they want to award. So, what was the last kind of tender or order that government procured from? No, development, we look at it, because we are in the manufacturing, I mean, developing and manufacturing of electronic fuses.

So, the initial usage will be because it is a decentralized operation of tender floating and army and paramilitary, they are floating the small, small tenders, we are participating, that is where we have this thing, some orders will materialize in the current financial year. So, resulting into a beginning. Then once we started, the typical big orders will be wherever the replacement of with electronic fuses with the old this thing.

So, that is why it is going on and we expect going forward only current financial year, we are a little bit optimistic, small tenders, we will be able to execute, since we have all the proposals and the manufacturing facilities. This fuses requires what is called perfection position. So, this will be tested at different places at different fields.

Once they satisfy and then they will start ordering the coffee. Got it. But this will be a sizable opportunity going ahead.

Sizable, what I am saying is because it is used in the battlefield, it requires a lot of precision when they use it. So, the army will test it at different condition at different places and see whether it is working or not. Once it is over, I think they will be able to do it.

Yeah, can we, Satyajit ji, any other? Yeah, Mr. Gagan, can you hear me? Yes, sir, please go ahead. Right, sir. Sir, my first question is pertaining to the TCAS.

I believe the patents of the TCAS system are owned by RDSO and jointly by, you know, HBL and some of these other companies, right? So, is that correct in the first place? Yeah, yes, it is a joint development. Okay, so my question is, you know, when the railways wants to expedite the coverage systems implementation and they, you know, a couple of public sector companies like BHEL and BL are also being onboarded. Will they be given the technical know-how by RDSO to develop these products or will they have to do it by themselves? They have to do it by themselves.

You know, this property is jointly. Okay. So, and when you say, you know, that their products have to be interoperable with the existing suppliers' products, what exactly do you

mean by that? When the kilometers are tracked, a part of the system is developed by HBL and somewhere the other part has been developed by Curdex or MEDA.

When a locomotive is running from one place to another, it has to work, no? That is interoperable. So, help me understand. It is not entirely done by one company.

So, what you mean to say is HBL supplies or HBL has certain parts of the coverage system, which have to be interoperable with MEDA's products and also be interoperable with Curdex's products? In number of stations, some stations up to HBL will be doing. The balance stations will be done by other people in that route, right? And the loco which is fitted by other one, when it runs through our track, which we have to do it, it has to understand. It has to communicate with both the things.

So, that is applicable only to the part which has been thus far supplied by you companies, right? For territories which have yet to be ordered out, where TCAS has not been established in any form whatsoever, this limitation does not hold, if I understand it correctly. I will take your example. If the contract has been given to a fork party and if that fork supplier installed the TCAS in the locomotive, which runs through the existing track of this company, then it has to communicate.

Agreed, sir. But my point is very simple that what you have supplied so far is barely 3000 kilometers, right, between the three of you. We need to go up to 30000 kilometers or more.

So, there is 27000 kilometers of territory where 27000 kilometers will not be given to one supplier. I know, I know. What I am saying is very simple, sir, that in these territories so far nothing would have been supplied by anyone.

So, there is the question of interoperability there. Interoperability is only an issue in the 3000 kilometers or in those locomotives or those stations where you have supplied equipment thus far. In let us say in new areas, in let us say in Bengal where recently that accident has unfortunately happened or in Bhuvaneshwar where perhaps no equipment has been thus far supplied by any of you.

These are not territories where interoperability becomes an issue. These are territories where these companies can come and supply themselves directly. Correct.

At that time, the entire contract is not given to one supplier, it is given to two, three companies. There the interoperability has to happen. No, but why would the railways want to give contracts in any one area to two, three companies and then complicate matters with interoperability.

They can segregate and say, you know, X territory AHPL will supply, Y territory BHEL will supply, Z territory Siemens will supply. They have tested our software and it is working. And why they are relying on somebody who has not yet been tested? Why take the risk there? I do not understand.

No, no, no. My point is very simple. Between the three companies that are there currently, there is a theoretical limitation of how much they can handle in any given year.



If the railways wants to handle 6,000 or 7,000 kilometers, they definitely want more people. And if that is the case, they will ensure that these people are facilitated. It is simply a matter of the pace at which this has to be expedited.

Hello. I am not saying that new supply will not come. I am not saying that they will unite.

What I am saying is, having seen our listing for the 2,000, 3,000 kilometers now, we expect that some portion is given to the existing players also. I am not saying NPL, who are the three players. When a new one is coming up, their software has to communicate to the existing software.

Their software has to communicate only on these 3,000 kilometers where you have so far supplied. No, no, no. If the house is there, under 3,000 kilometers is there one there, and NPL is going to participate in that, and new supply is going to come, then we do not have to do anything.

Sir, tell me something. In every area in future where NPL will supply, or for that matter, if someone else will supply, it is not necessary that HVL will be there in all those 27,000 kilometers. It will be there in a few thousand kilometers.

In the other few thousand kilometers, it will be someone else. So, where is the question of interoperability in new orders?

In that region, what are the players have been there, I'm not saying anywhere will be there. Who are all the players in that? The database is not going to give to one contract, it is going to give a two or three or four. All that players has to be interoperable, that's what I'm saying.

I'm not saying our software has to be interoperable in everywhere. So may I interrupt for a second, please? Yeah. Hello.

Yeah, no, no. My name is Anuj. So I just wanted on this issue of interoperability, my understanding would be, I don't know if I am wrong, but my understanding would be that all the covered systems installed by all companies, including HBL, Meda and Connex and the other potential suppliers who may come in would need to be interoperable all across India.

Because for instance, if now say I am just assume I'm sitting in Chennai and I'm catching a train from Chennai to Calcutta, we cannot expect the locomotives to be changed when one territory. That's what I was saying, sir. When I installed the TCAS in the locomotive, the locomotive is not going to travel only 3000 kilometers, it is going to travel other places.

They will travel all across the length and breadth of India. So, if that is the case, then why will the railways not facilitate interoperability? Railways wants to expedite quickly the execution of coverage across all of this territory. It will not say that, you know, because X company is coming in new, it has to become, its software has to be in sync with Y company, you know, let them try and make it interoperable by themselves.

Railways will facilitate this. Theoretically, that is how it should be. Can I just interfere on this.

Again. Railways facilitates interoperability. That is what they are facilitating, yeah.

By ensuring that the software goes, develops, is interoperable. They are not coming in new, they are allowing everyone, if they want the system to work in consonance with other operators. That is what the railways are facilitating.

The basic objective of railways is maintaining the safety aspect. So what are the precautions as per their internal guidelines and policy, they are supposed to ask all the players who is participating in this one, so it's basically a railway policy and their execution strategies. Okay.

We are able to answer. I am still not fully clear, but let me drop this because it will take more time. Yeah.

I have more questions. On Tonbo, you know, in the past, you had indicated that you want to increase take from 90 crores to 50 crores, and you might also become, you know, a joint bidder for those projects where, you know, your scale is higher and Tonbo is smaller. What is the status here is, are you, are you only going to, you know, basically the profits of Tonbo to the extent of your share are going to come to you or is there going to be more future development here? We have restricted our investment to 86 crores and some profits only we will take it.

The one policy we have taken is, though we announced earlier 90 crores, we restricted our investment only to 86.67 crores, which we want to be there and we will dilute as and when the time approach suits us. Okay. May be in the line of public issue or whatever we feel, I do not know.

Right. And my next question is pertaining to the electronic fuses, I think Bharat Electronics is setting up a factory in your state perhaps. And you pointed out that, you know, their local content was low, but last year they received orders of almost 4500 crores for fuses.

And if they are setting up a factory, is it not, does it not stand to reason that their local content will come down? And if that is the case, is this space going to become more competitive? I do not know what will be their local content, but yes, the other one I agree with you, there could be a competition. Okay. And why do you expect battery sales to not grow in FY25? I mean, what is the reason for that? Because the other application, which is the lead batteries, where the demand is just cyclical, especially for telecom.

So we expect that the demand may not be there that much, which was there earlier when BSN was not in the company. Can you break up your battery sales into lead acid, PLT, lithium ion and some of the other batteries that you have talked of for FY24? Immediately I do not have. But all, when we see, we see as a group only, we review because the margin is more or less the same.

So all we categorize as industrial batteries. Maybe I can share your number, maybe we can talk later on. Okay.

And the reason for this very sharp improvement in margins in FY24, is it down to lower input prices of batteries alone or and increase in TCAS? One is the margins has improved because

one is the volume, second is the average generation is gone up. The third most important is the metal presence, the metal margins have been improved. Do they, are you currently in a position to maintain those margins in batteries or have the prices? As of today, in the first quarter, we continue to do the same.

Going forward, we do not have to do that. Okay. Thank you, sir.

I will get back to you. Mr. Hemal, please. Mr. Hemal? Sir, can I go ahead? Yeah, please.

Sir, for electric drive trucks for trucks, actually in last AGM our CMB sir explained the product and what can be the future prospects of the product. So I think it is almost 7-8 months. So, can you just throw light on the, what is the, what are the testing results? Any feedback from the customer, how many trucks currently we have put for testing and how is the actual fuel saving and what are the results of the test? Thank you.

You have all types of trucks. So, when we made our proposals, we restricted our focus on 55 tons capacity. We will be testing on the roads is going on.

is expected this year. We may do some sales in this current financial year, but sir, any feedback from the customers, how many trucks we have put for equities on the market, so there have been inquiries, we are testing on that now to come back on that and also request an approval from the government also, do that option. And, okay, and sir, for coverage, whatever currently implementation has been done in India, can you just give us idea, what is the sale of HBL and other players or whatever has been executed? Or the existing ballpoints? Yes, completed or whatever tender has been passed by the government till date, out of that, what is the sale of HBL and what is the sale of Carnex and what is the sale of Mega? Just hold on sir, please.

So, I think Mr. Hemal wants to know how much has been completed by HBL, how much has been completed by Carnex and how much has been completed by Mega? Carnex, the Carnex and the Mega, I don't know the data, check with my operations and come back on that, but the Carnex which has been awarded to us, we completed about 52% last year, about 48% is left over on the 600 which is close, 38% is left over which we are going to complete this year. So, what Mega and what Carnex have completed, can we just get any idea? I don't have an idea, I need to come back on that. And sir, one request that if you can give us some idea, say the time of quarterly results or whenever any presentations are given by the company to the investor, so if you can just give idea about the current order book, then it will give a very good reason for the investors that how the companies, say it might be that you might not be giving the break up of all the products, but just what is the current order book of the company? Last time we got the idea from the pre-sale report, but actually no communication was there by the HBL.

So, we understand that the company is very conservative and it is very good, but say the way the investors are coming in this company, so might be that they will have, they want some idea that how the company is progressing. So, if any idea about the order book is given at the time of quarterly results or might be half yearly, it will give a good picture to the investor for the current quarters, next quarters. Good suggestions are noted.

Thank you and best of luck, sir. Hi. Can you hear me? Can you hear me? Thanks for the opportunity.

Sir, I just want to take a step back and you have given a guidance for this year, right? FY25, right? But when you did this presentation, right, there are a number of initiatives where you are saying that you have got approval, right? And you might start seeing some revenue in FY25, for example, the fuses, right? So, from guidance perspective, can I assume that you have not factored any revenue from all these which are in near success phase or something for which you are yet to get some sizable orders? The guidance was given 27th May, 2024. Yeah. It's not that, that is not an old, it's a latest one only.

What was not factored there is, one is the expected power standards which we have highlighted there. And what was not factored there also was, because still it is in trial runs. One is the unity electric drive plans was not considered there.

The fuses is not considered. Hello? Okay. Yeah, Ranjit, is it okay? Yeah, that's, yeah, yeah, yeah.

I think it is very clear. Yeah. Thanks.

Thanks for the clarification. Thank you, sir. So, I think we can conclude now.

There are no further. I'm left with my question. So, can I ask the question? Yes, you can.

Yes, you can. Hello? Yeah, please. Yes, sir, please.

Yeah, I have, I hope I am audible. So, my first question is like the associates, NSTL and Tonbo did a good contribution to the profits this year. So, which products are receiving traction there? Sorry, can you just repeat please? Your voice is a little bit breaking.

Okay. So, the associates, NSTL and Tonbo did a good contribution to the profits this year, I guess. So, which products are receiving traction there? Tonbo, as far as being an associate, which we made a strategic investment.

We categorized it as an investment associate company under the accounting standard, as a result of which whatever profit they have made it, we did their proportionate consolidation. It is about 14 crores environment. No, sir.

My question is like which products are receiving traction there? The Tonbo is basically a thermal imaging product, sir. Yeah. It is an imaging system, which is fitted on many tanks and aircraft.

If I want to tell you in a very plain, you have seen the tanks, no? Army tanks. Yeah. Where a soldier wants to see the enemy when he is in the ocean, he has to get up above this thing and then from the bunker and then see where the enemy is there.

There is a probability the enemy may detect the army man and then fire. So, this kind of imaging system is mounted on the tank itself. So, the person sitting inside can have a 360 degree view even under night conditions.

Similarly, it is mounted on a rifle. It is mounted in an aircraft. From the air also, you can see the enemy position.

So, these are all imaging systems. Okay. Got it, sir.

Defense products. The steel is also defense. Sir, anything? Like, would there be any O&M component in coverage auto? Like, what would be the size and when it would start? Sorry, voice broken, sir.

I'll just check my mic. Yes, please. Yeah.

So, would there be any O&M component in coverage auto? So, like, what would be the size and when it would start? For a weak contra and tender, normally the concessional partnership will be about 30%, 70% is from the OEM. Okay. On an average.

Average. 70%, right? Yes. 70%.

70% OEM, 30% would be. Partner. Got it.

Thank you, sir. Thanks for answering. Thank you.

I think there are no further requests for questions. Okay. Concluding the meeting.

So, I have two very brief questions, sir. If you could accommodate me. Sorry, sir.

Your voice. Yeah, I said, I have two very brief questions. If you could kindly accommodate me.

Yes, sir. Go ahead. So, first is on the supply of batteries for telecom towers.

Is there any likelihood of a kicker in the quantum of supplies? Because there is, you know, there is talk that when upgrading to 5G, the number of towers required is much more, although they are smaller towers is much higher than the amount required for 4G number of towers. So, what kind of bearing would that have on the, on your supply of telecom tower batteries? The only question. Hello.

This is the only question or you. No, this is one. This is one.

And the second is on the grenade fuses. If you could tell us, you said that the market worldwide is very vast. If you could give us an approximation size of Indian and world market and, and how is the export competitiveness of India in the world market, as in the sense the cost competitiveness of, is it a factor of, you know, the costs in India vis-a-vis making in the world and the, like for instance, when you say that HBL charges say X amount, say 50 lakhs per kilometre of track for coverage and another company, a foreign company charges 2 crores.

So, what is that similar, that gap in grenade fuse pricing? On this domestic and global market, I will just check and then I will reply to your mail ID. Is it okay? Yeah, of course. No problem.

Yeah. Yeah. And, and on the tower battery question, sir, which I asked earlier.

Yeah, IG. Yeah, we expect, we expect a demand. We are ready to see.

Okay. Okay, sir. Okay.

Thank you, sir. Thank you very much. Yeah.

Thank you to all of you. Thanks for joining the call. Sir, I have one last question, please, if you could take that.

So, what was the exceptional item of 25.14 crore recorded in our Q4 FY24? Just a minute. Yeah. Sir, my talk of intangibles, which was recorded previously, we thought it was not going to be there.

So, we will wait and see. Okay. Thank you.

It is on the development lag, which is charged off. Sorry. Yeah.

We have written off the intangibles which was recorded earlier. As I was mentioning earlier, we thought to do for 12 tracks and then for lower capacity 7.5, 12 and then 35, 55. So, 12 and 9 things are no more feasible for converting into electric.

So whatever the intangibles for that is there has been our choice. Got it, sir. Thank you so much.

Thank you, sir. This will be concluding the meeting. Thanks to all of you for joining the meetings.