

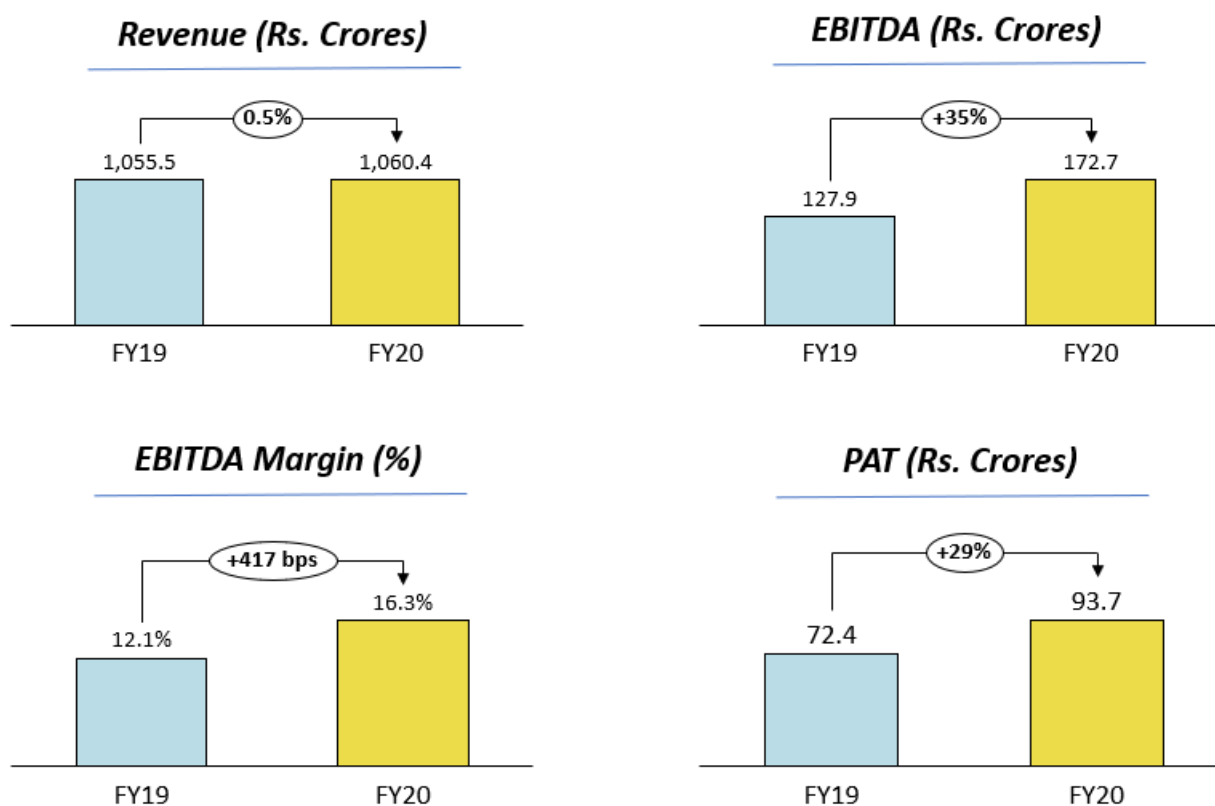
## GENUS POWER INFRASTRUCTURES LIMITED

### Delivers Record Profits in FY20

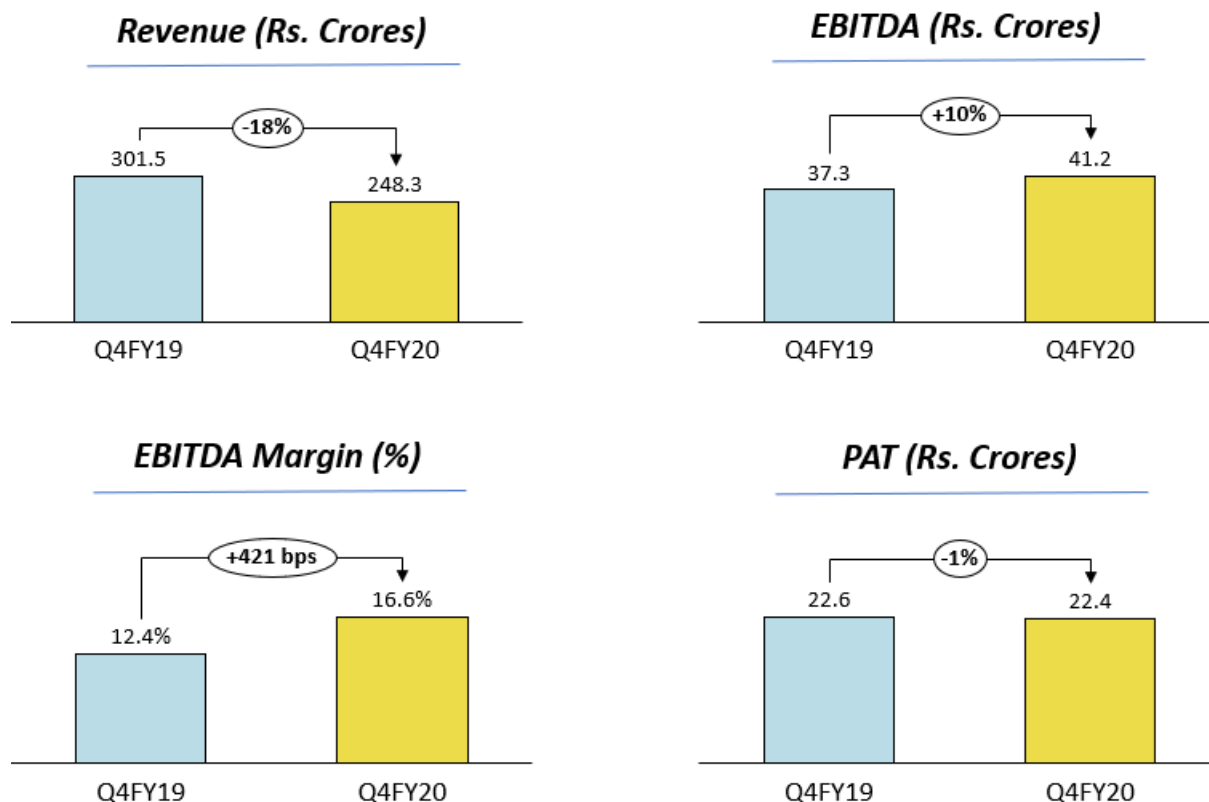
- FY20 PAT up by 29% YoY at Rs. 93.7 crore
- EBITDA margin grew by 417 bps YoY to 16.3%
- Order Book at end of 31<sup>st</sup> March 2020 stood at Rs. 943 Crore (net of tax)

**Jaipur – 11<sup>th</sup> June 2020** – Genus Power Infrastructures Ltd., a leading Metering solutions provider & manufacturer for the Power Distribution Industry, announced its unaudited financial results for the fourth quarter and year ended March 31<sup>st</sup>, 2020.

#### Standalone Financial Snapshot FY20:



## Standalone Financial Snapshot Q4FY20:



## FY20 Performance Highlights:

- Revenue stood at Rs. 1,060.4 crore against FY19 revenue of Rs. 1,055.5 crore. The revenue growth was impacted on account of slower order execution due to Covid-19 lock down in Q4FY20
- EBITDA was up by 35% YoY and stood at Rs. 172.7 crore against Rs. 127.9 crore of FY19
- EBITDA margin has increased by 417 bps YoY to 16.3% against FY19 margin of 12.1%. The margin has improved on account of higher share of export orders, better product mix and benign raw material prices
- Profit After Tax was up by 29% YoY at Rs. 93.7 crore as against Rs. 72.4 crore in FY19

## Q4FY20 Performance Highlights:

- Revenue stood at Rs. 248.3 crore as compared to Rs. 301.5 crore in Q4FY19. The de-growth was on account of slower order execution due to COVID-19 led lockdown
- EBITDA was recorded at Rs. 41.2 crore, up by 10.4% YoY as compared to Rs. 37.3 crore in Q4FY19

- EBITDA margin stood at 16.6%, up by 421 bps as compared to 12.4% in Q4FY19. Improvement in EBITDA margin was on account of easing in raw material cost, improvement in operating efficiency and better product mix
- Profit After Tax stood at Rs. 22.4 crore as compared to 22.6 crore in Q4FY19

### **Key Business Updates:**

- **Order Book**
  - Order inflow has remained subdued in FY20, as State Electricity Boards are in transition phase to draw out the detailed processes for shifting from procurement of conventional meters to smart meters. Further the company has adopted a conservative view in selecting its clientele, with security of payment becoming a key focal point. Company expects increased orders on account of shift from conventional meters to smart meters. At the end of 31<sup>st</sup> March 2020 Order book stood at Rs. 943 crore (net of tax)
  - **The smart meters are expected to play a significant role going forward on following grounds:**
    - Government has proposed overhaul of the State Electricity boards via the ADITYA scheme in the coming quarters, which envisages implementation of smart metering worth Rs. 2.3 trillion
    - Accordingly, the recent Union Budget announced the replacement of conventional meters with smart meters in order to bring down the AT&C losses to below 12%. Smart meter implementation will lead to Automation of billing process resulting in recovery of AT&C losses, which are to the tune of approximately Rs. 1 lakh crore p.a.
    - The overhaul of State Electricity Boards is expected to be made stringent and compulsory, in order to secure funding from Central Government

### **Commenting on the performance Mr. Jitendra Kumar Agarwal, Joint Managing Director, Genus Power Infrastructure said,**

“COVID-19 led lockdown impacted our Q4FY20 performance as it resulted in delay in dispatches of finished goods and therefore revenue recognition. Overall Order inflow was subdued in FY20, as State Electricity Boards are in transition mode from conventional meters to smart meters coupled with our focus on ensuring security of payment as against revenue buildup.

Going forward we expect, the pace of ordering of Smart meters to pick up sharply. There is likely to be no significant impact on the demand side due to COVID-19, as the state and central governments are persistently striving for reforms in the power sector, with focus on reducing aggregate technical and commercial (AT&C) losses by installation of smart meters.

With the Government putting in place the world’s strictest lockdown from end-March ’20, the power consumption from Industries and Commercial customers nose-dived. This is likely to strain the already weak

finances of DISCOMs. However, measures like payment of state government department dues and funding from NBFCs such as PFC and REC may help alleviate liquidity issues at distribution companies.

At the same time, Smart Meters have proved their worth during lockdown, as it helped curtailed the losses for the DISCOMs that had adopted them. For example, in Uttar Pradesh, 95% of smart meter consumers have been billed during the lockdown, as against just 29% for the rest. The DISCOMs using smart meters have seen 15-20% average increase in monthly revenue per consumer, according to the Energy Efficiency Services (EESL), showcasing a wide chasm between smart meter users and otherwise, highlighting their remarkable efficacy.

The distribution sector is the weakest link in the entire power value chain and greatly affects power generation companies. Current AT&C losses stand at about 18-19% versus 22% during 2015-16. In the coming quarters, we expect the Government to fine tune the proposed Atal Distribution System Improvement Yojana (Aditya Scheme), which primarily involves the implementation of compulsory prepaid smart meters for 250 million households with an aim on lowering AT&C losses of DISCOMs to 12%. The proposed Electricity Bill 2020 may also usher in a major distribution reform. However, at the same time, these reform measures may get delayed if Covid-19 sustains over a long period of time.

We provide end-to-end metering solutions to clients with metering communication, services and solutions. We plan to create inroads, in areas where we have robust avenues of earning recurring revenue in form of facility management system (FMS), providing our domain-related software to clients etc.”

### **About Genus Power Infrastructure Ltd.:**

Genus Power Infrastructures Ltd., started in 1995, is amongst the largest players in India’s electricity metering solutions industry, with ~27% market share. Company is market leader in various kinds of meters and has developed ‘smart metering solutions’, with in house R&D centre. Company also has engineering, construction, and contracts (ECC) division which complements the existing meters business. Company has manufacturing plants across Jaipur, Haridwar and Guwahati with a total installed capacity of over 10 million meters.

Our key customers include the major State electricity boards (SEB’s) and private utilities.

For more information about the Company and its businesses, please visit our website [www.genuspower.com](http://www.genuspower.com)

### **Safe Harbor:**

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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