"Genus Power Infrastructures Limited Q4 FY2020 Earnings Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to the Genus Power Infrastructures Limited Q4 FY2020 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kailash Agarwal, Vice Chairman of Genus Power Infrastructures Limited. Thank you and over to you Mr. Agarwal!

Kailash Agarwal: Thank you. Good evening ladies and gentlemen. A very warm welcome to the Q4 and FY2020 earning call of Genus Power. First of all, I hope that all of you and your loved ones are safe and healthy and are taking a utmost care of yourselves.

Along with me on this call is, Mr. Jitendra Agarwal who is the Managing Director, and SGA, our Investor Relations Advisors. The results and investor presentation are uploaded on the Stock Exchange and Company website. I hope everybody had a chance to look at it.

Ladies and gentlemen due to COVID-19 pandemic and the resultant lockdown, the company's operations were suspended from March 22, 2020. This impacted the company's performance in Q4 FY2020 as it resulted in delay in dispatches of finished goods and therefore revenue recognition.

We have recorded a sales of Rs. 1,060 Crore for FY2020 as compared to Rs. 1,056 Crore in FY2019. For quarter ending March 31, 2020, we have recorded sales of Rs. 248 Crore as compared to Rs. 302 Crore in Q4 FY2019 because of the suspension of operations after March 22, 2020.

Our EBITDA for FY2020 stood at Rs. 173 Crore as compared to Rs. 128 Crore for FY2019, a growth of 35% on YOY basis. For Q4 FY2020 EBITDA stood at Rs. 41 Crore as compared to Rs. 37 Crore in Q4 of last fiscal year, a growth of around 10%.

For FY2020 our EBITDA margin has expanded by 417 basis points to 16.3% from 12.1%. Similarly, for Q4 FY2020 our margins have expanded by 421 basis points to 16.6% from 12.4% of Q4 FY2019. The margin expansion was on account of higher share of export orders, better product mix, benign raw material prices and improvement in operating efficiency.

Profit after tax stood at Rs. 94 Crore for FY2020 as compared to Rs. 72 Crore of FY2019, a growth of approximately 29% on YOY basis. For Q4 FY2020 profit after tax stood at Rs. 22.4 Crore as against Rs. 22.6 Crore recorded in Q4 FY2019.

The current order book of the company is Rs. 943 Crore which gives us a healthy visibility for growth over next three to four quarters. Our order inflow has remained subdued in financial year 2020, as State Electricity Boards are in transition phase to draw out the detailed rollout processes for shifting procurement from conventional meters to smart meters.

There is a 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 losses (AT&C) by installation of smart meters. However, considering the COVID-19 situation is still fluid and is changing dynamically, it would be too early to predict the exact implications of the same in the short term to medium term on the metering business.

The revenue and profitability of the company are likely to be adversely affected for Q1 FY2021 as our operations have only partially resumed in May 2020 leading to loss of revenue and operating leverage.

With Ujwal DISCOM Assurance Yojana,(UDAY) getting expired in March 2020, the government is considering another reform scheme which they have already announced, namely ATAL Distribution System Improvement Yojana. (ADITYA) aimed at investing funds in network infrastructure like smart meters. ADITYA scheme primarily involves the implementation of compulsory prepaid smart meters of 250 million households with an aim of lowering AT&C losses of DISCOMs to 12%. In its design to date, the scheme is planned to install smart meters in the first phase, starting from electricity feeders and then reaching to the consumers. The new scheme is likely to have central funding of up to Rs. 1.1 trillion (approximately USD $16.3 billion) over three phases and remaining balance of Rs. 2.9 trillion (around USD $42.5 billion) will be funded by states. So the scheme has funding of huge amount. Thus, we foresee a lot of traction in our business going forward. The proposed Electricity Bill 2020 may also usher in a major distribution reforms. However, at the same time, these reforms measures may get delayed if COVID-19 sustains over a long period of time.

The distribution sector is the weakest link in the entire power value chain and greatly affects power generation companies. Therefore, a lot of thrust is coming from the central government for deployment of smart meters across India in order to lower the AT&C losses, improve billing efficiencies, reduced DISCOMs' financial woes and enhance consumer convenience and rationalize power consumption. State Electricity Boards are also propelled to take action in this direction as improving billing efficiency has become a necessary condition for receiving funding.

Government is in the process of drafting Standard Bidding Document (SBD) and outlining the terms and conditions for deployment of smart meters across India. Prequalification criteria is likely to become very stringent to facilitate the entry of only quality companies having robust execution track record. The demand is now likely to increasingly shift from conventional meters to smart meters. We are very confident of sustaining our margins going ahead as product mix changes in favor of smart meters. Our working capital cycle is likely to remain stressed, but we hope that will improve a little, as the government is working on paying their dues to their suppliers.

At the same time, smart meters have proved their worth during lockdown, as it has helped curtail the losses of 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.

Smart meters help DISCOMs in handling the COVID-19 led crisis effectively by enabling auto collection of meters read over the air, reducing the need for manual intervention, remote connect/disconnect and enabling digital payments of bills. The DISCOMs using smart meters have seen 15% to 20% average increase in monthly revenue per consumer, according to the EESL, showcasing a wide chasm between smart meters users and otherwise, highlighting their remarkable efficiency. Thus installation of smart meters are directly linked to improving the financial health of DISCOMs.

We have continued to focus on technology upgradation and operational efficiency to serve our long-lasting relationship with our clients which has engraved our leadership position. In smart meters, company will also have a lot of opportunity in terms of recurring revenue as facility management system (FMS) will also be part of the contract. We as a company are specifically targeting recurring revenue as an avenue for sustaining our growth. We also plan to provide our domain related software to our clients.

I now open the lines for question and answers.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Sameer Raj from Nippon India Mutual Fund. Please go ahead.

Sameer Raj: Congratulations on good numbers despite tough times. Sir, I had two questions, one in your opening remarks you said that you expect huge demand for smart meters and you also expect that criteria will become more stringent. It means that there is going to be great amount of opportunities. So what was the capacity utilization for FY2020 and going ahead what kind of expansion plans you have? My second question is if you can give some rough idea of what was our market share during the last financial year in the smart meter sector?

Jitendra Agarwal: We have been telling in the past also that smart meters or electricity meters being a custom built product, the capacity enhancement can be can be done very fast without much. capital investment Today comfortably, Genus can produce 15 million meters without any problem - so that kind of investments in plant and machinery has already been done. The capacity utilization last yearwas around 70% to 75%. The reason capacity utilization is about 70% to 75% is because meters are custom built product. If I were to make a same kind of product we easily could have done more capacity utilization. But because we do a lot of product mix, our capacity is used differently for different products. Coming to your question number two, in the last financial year 80% of the smart meters in India were of Genus. That does not say that we will have 80%-85% market share in the country in the times to come, as I do not want to give any wrong understanding also.

Sameer Raj: Sir, if you can give a little bit of what is your view on the outlook for the current financial year, because we would have already lost sales in the month of April and some sales in the month of May. So overall are you confident that we will be able to maintain the last year's numbers?

Jitendra Agarwal: I am pretty confident that we will be able to maintain the last year numbers, because in our industry ramping up is not very difficult if we have the right product mix. I am pretty confident as of today, but nobody knows the future which is absolutely **uncertain** right now.

Kailash Agarwal: I will like to add that we have sufficient capacity right now. We had two years back, build up capacity at Guwahati plant that is almost free right now. So, we have sufficient capacities for the next two-three years for whatever the business that will be coming. So, we are not looking for any capex, apart from whatever is the routine capex. So, I think you are more concerned about the company's capex plans, as so much of business is coming. Regarding your question on this financial year - basically even in first quarter we will be doing around 40%. It is not totally a washed out quarter. We are pretty confident that we will not be degrowing. There might be only a small growth , but degrowing would not be there provided there are no further shocks coming.

Sameer Raj: Sir, last question from my side, we have investment of around Rs. 255 Crore as on March 2020. What is the breakup of that? How much is the liquid investment? Anything from that investment, which we can unlock?

Kailash Agarwal: It is basically more of liquid investment. Around Rs. 170 - Rs. 175 Crore is the liquid investment, that is mainly in bonds and FDs and other things. So, if we calculate, our net debt is Rs. 30 Crore- Rs. 40 Crore only. Some of the investment is in the trust which holds the shares of Genus Power and Genus Paper.

Sameer Raj: So, what is the plan with those shares?

Kailash Agarwal: Right now, there is no plans because basically company doesn't require any money right now. So, in future if any requirement of the money comes, then we will see..

Sameer Raj: Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Vikram Kotak from Crest Capital. Please go ahead.

Vikram Kotak: I remember in the last quarter concall, you were rightly worried about the collections and you were not taking the new orders unless you had surety on your payments from the DISCOMs.. What is the scenario there now?

Jitendra Agarwal: We have been very clear to keep two things in mind while picking orders over the last whole financial year - the payment capacity of the electricity board, because we are in a very bad shape when it comes to working capital cycle. We all understand that. Second was on the product mix. That is the reason you will see in the last financial year the bottom-line of the company has done very well. So, that has been done with a very clear process made made internally as to how do we want to focus on the business. For this financial year also we will continue with the same strategy. Our order book, I would not say it is very good, Rs. 950 Crore but it is not that bad also where we need to desperatelydo something. So, this strategy we will be kept in mind in this financial year also.

Kailash Agarwal: I would like to add to this. As we were selective about the orders.the payment cycle is better for these orders., Because of the COVID-19, the state governments and central government are aggressively working to pay their vendors. They very well understand that if they pay, the money will come in the system. So we personally feel that it will be a better payment cycle from central or state governments going forward.

Vikram Kotak: Of the order book of Rs. 950 Crore approximately, how much of the orders is likely to come in the next quarter?. I know everything right now is standstill because of COVID, but what is your expectation? And how many L1 orders do you see?

Jitendra Agarwal: As on today, there are only Rs. 640 Crore of tenders being quoted. These tenders would have been almost Rs. 1,500 Crore if COVID situation would not have come. Generally tenders from most of the electricity boards come in January, February and March and they get decided in April, May, June and July. That has been historically the practice of the DISCOMs. So that has been delayed by two to three months. So we have around Rs. 1400 Crore of tenders which will be quoted in the next couple of months. For sure in June, July and August, there will be a very low traction, when it comes to other bookings. But by the end of October or maybe by start of November, I am very confident that the things will be very healthy.

Kailash Agarwal: **Basically** it is a delay by three months. The order book right now I have, is comfortable for the whole year. So, even if order inflows comes in August or November, it is not making any difference to the company.

Vikram Kotak: Even there will be urgency from the government side to give the orders. It is not only you have to be worry about orders. So there will be more push in second half to give more orders, right?

Kailash Agarwal: Yes correct.

Jitendra Agarwal: Electricity meter is a necessity.

Vikram Kotak: Why so much of cash balance or liquid balance you want to keep. Just because of COVID situation or rather you want to repay little bit, because arbitrage will be negative, because your return on FDs will be very low versus your borrowing cost. So, what is the reason of keeping large amount in liquid funds and FDs right now?

Kailash Agarwal: Basically, the type of business we are in where the working capital cycle is very big, so we have to keep always the emergency funds. So, right now because of COVID we have increased that. Earlier, we used to keep emergency funds around Rs. 110 Crore., We have increased that by another 10% of the total revenue, because of this COVID-19 situation. Because our business is a long working capital cycle business and in all government business we have to be very cautious about liquidity.

Vikram Kotak: Next question is that what has been the change at Genus pre-COVID and post COVID in terms of manpower, business processes, improving the hygiene and costs?

Kailash Agarwal: Pre-COVID to post COVID, definitely there has been a lot of changes. There are lots of general things that has been taken care; such as the hygiene for the office of the company, the way we work and the way we meet the clients. The biggest advantage what I see, is that the clients have become much more available online now. So, I personally feel that the connect with the client has improved post COVID. That is my personal view. As the MD of the company I cannot travel all across the country every time. But nowadays, I have realized in the last 80-90 days, we have connected with most of our clients all across the country. So that way, I feel the connection has improved. I think cost wise, also time efficiency wise, over the period of time, I think with the use of more digital platforms we all will have better efficiency in the times to come. Wherever in the world you are running a company, some flap always gets created. These kinds of crisis really teach you how to cut the flap. So as a company and as an individual, these kinds of crisis gives a lot of positive backup to the company. A lot of positives comes in the system. And we as a company have already gone through one major crisis like this in 2009 that was only for us and not for the world. Even from that crisis, when we came back, we were much stronger and better company. So, I think, as an individual or as a company, I feel that the future will be more brighter.

Vikram Kotak: The last question from my side is on the margin outlook. What was the last quarter margin and what is your view for next year? And again I am not asking for exact number, but roughly what you are seeing over a period of two years?

Kailash Agarwal: Coming year also, we feel the margins will be at the same level as last quarter.

Vikram Kotak: You are not expecting any big pressure on the margins?

Kailash Agarwal: No, not at all.

Vikram Kotak: Thank you. All the best to both of you and the Genus.

Moderator: Thank you. The next question is from the line of Lalit Garg from Global Investments. Please go ahead.

Lalit Garg: Sir, my question is on bookkeeping. In the consolidated statement, there is a Rs. 20 Crore increase in the other expenses. Can you give me the breakup?

Kailash Agarwal: There is a trust which is holding shares of Genus Paper and Genus Power. So, this is the value of the same. And because the value of Genus Paper share has come down, the Rs. 20 crore is in reference with that. So, it is just a virtual figure. As per accounting it goes to the other expenses.

Lalit Garg: So, this is not below the bottom-line figure?

Kailash Agarwal: It is nothing to do with the below the bottom-line figure. It is just an decrease in share price of the shares held by the trust.

Lalit Garg: What is the quantum of sales that was affected in March? If you can give a rough estimate on amount?

Jitendra Agarwal: Around Rs. 40 Crore to Rs. 45 Crore.

Lalit Garg: Sir, our inventory has gone down by around Rs. 55 Crore. So this would have decreased our inventory further more or it was the production that was affected?

Kailash Agarwal: Last year the inventory level was a little higher. So these are the real levels for the inventory.

Lalit Garg: These were the only questions from me. Thanks a lot. Wish you all the best.

Moderator: Thank you. The next question is from the line of Keshav Garg from Counter Cyclical Investments. Please go ahead.

Keshav Garg: We have given guarantees of around Rs. 230 Crore to some group companies and last year we also made investment in preference sharesof Yajur Commodities Ltd. Because of all these small issues, the market capitalization of the company is suffering. Had these transactions not been there, the market capitalization would be above Rs. 1,000 Crore. So by spending some few Crore, we are taking a huge hit on our market capitalization?

Kailash Agarwal: When it comes to corporate guarantees it has already been reduced from Rs. 230 Crore to Rs. 120 Crore. By end of this financial year, that is by March 31, 2021, there will be no corporate guarantees. We have already started reducing corporate guarantees and in this year's balance sheet it will be around Rs. 50 Crore and next financial year it will be zero. We absolutely agree with you and we are working on that.

Keshav Garg: Sir, also our bad debts are too big. In FY 2020 they were Rs. 16 Crore, which is about 10% of our EBITDA, and year before it was 20% of our EBITDA i.e. about Rs. 24 Crore bad debts. So, going forward how do you plan to avoid these?

Kailash Agarwal: These are not bad debts. There is no single rupee bad debt. These are liquidated damages,(LDs) on account of some product returnswhich is normal in our course of business.. So, there is no bad debt. It is a classification by the auditors.

Keshav Garg: Sir, on consolidated basis, our tax rate is around 37% in FY 2020 and last year it was 28.5%. So we were expecting it to be below 25%, since we have plants in Guwahati, etc.

Kailash Agarwal: Basically till last year the main production was coming from Haridwar where the tax exemption there has expired in the last financial year. So, this year the Guwahati production is just ramping up. There is a very small production from Guwahati. So we are in full tax regime.

Keshav Garg: Sir, basically we will pay 25% tax?

Kailash Agarwal: No, we will pay 30%, because we have a lot of MAT credit. The company has Rs. 45 Crore of MAT credit. So if we go for 25% tax rate, we cannot avail that MAT credit. So we are first availing our MAT credit and once that is over, we will move to 25% tax rate regime.

Keshav Garg: Sir, for FY2021 the tax rate would be how much?

Kailash Agarwal: For FY2021 also there will be the normal tax rate, because we have almost exhausted our Rs. 25 Crore of MAT and we have a remaining around 20-22 Crore of MAT. So that will also be exhausted by financial year 2021. From FY 2022 we will be in the in the 25% tax rate regime.

Keshav Garg: How much does gas meter constitute of our total revenues. And also are we looking at exports in a big way, to reduce our dependence on State Electricity Boards?

Jitendra Agarwal: First I will speak about the gas meters. From the gas meter product, there was no revenue in the last financial year. A lot of safety hazards are involved in that product. So, it needs a lot of certifications and unfortunately these certifications are not from the Indian labs, so they take their own time. We are very confident that by the end of this calendar year, we will have all the certifications done and post that we will have some better share of pie in the gas meter market. Right now, we are doing couple of very small pilot projects, to establish the product. That is how we have done around 700 to 800 meters for some customers. That is very small to talk about.

Keshav Garg: The company make of Rs. 134 Crore of operating cash flow last year and like you mentioned that our balance sheet is very strong, but still we skipped the dividend. So if you can consider a share buyback, as that might be the best option, because we can extinguish our shares and reduce our equity share capital. So whatever future growth will come it will get divided into a smaller base of shares and EPS will increase. Also the tax effectiveness of buyback is very good as compared to dividends which is being taxed at 43%. In share buyback it is just 23% and there is no capital gain tax also?

Kailash Agarwal: Basically, right now because of the COVID-19 pandemic we are just working out on what the liquidity situation will be there and how the things will move. Once the things stabilize, certainly we will take some decisions in the favor of investors.

Keshav Garg: Thank you very much.

Moderator: Thank you. The next question is from the line of Manish Goyal from Enam Holdings. Please go ahead.

Manish Goyal: As you mentioned one of the reasons for improvement in margins was better revenue mix. So, if you can just give a sense in terms of what was the export revenues in the current quarter and in the current year as compared to previous year? Also, what was the share of smart meters in revenue contribution? And within the order book how much is the export order book and smart meter order book?

Kailash Agarwal: In Q4 FY2019 our export was Rs. 11 Crore and in Q4 FY2020 export was around Rs. 27 Crore. For FY2019 export was Rs. 64 Crore and in FY2020 it was around Rs. 96 Crore. So, there is almost an increase of 50% in exports in FY2020 from last year. And we have current export orderbook of Rs. 50 crore.

Manish Goyal: How is the pipeline for the exports order book Sir?

Jitendra Agarwal: There are many inquiries going on across the globe primarily in six to seven countries where we have major focus. But definitely there is a delay due to COVID-19. There is no doubt that a lot of traction has gone slow. It will take at least two to three months to get back to some normalcy, provided nothing grossly goes wrong with the world.

Kailash Agarwal: Basically, company is fully focused on exports. From numbers you can see that from FY 2019 we have grown by around 50% in FY 2020. For this financial year also we have same targets.

Jitendra Agarwal: We have really opened up our account in very good markets in last three to four years through hard work, which is clearly visible in our numbers.

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Manish Goyal: But would it be possible to give a sense in terms of the size of the tenders or opportunity? What kind of revenues we can look forward from exports in next two to three years?

Jitendra Agarwal: There are lots of projects where we are working in the international markets but not via tenders. So it is very difficult for me to define that this is the tender of such value. So there are primarily lot of these private distribution companies like Torrent or Reliance. So lot of these projects are happening not only with the government but also with private distribution companies..

Manish Goyal: In terms of revenue mix what is the contribution of smart meters currently and what is the share of smart meters in the total order book?

Jitendra Agarwal: Currently, smart meters constitute almost 65% of our total order book. We are primarily focusing on the smart meters, Smart meters by far has taken over the conventional meters in terms of our order book.

Manish Goyal: You mentioned that there was Rs. 640 Crore worth of tenders which you have already quoted. Were these also for smart meters?

Jitendra Agarwal: These are primarily for conventional meters and very few are for smart meters.

Manish Goyal: Sir you did say mention that our EBITDA margins would be steady in the current year, but with rupee depreciation do you see any impact going forward?

Jitendra Agarwal: Not in a very big way, because we expect that we will try to cover up that with our operational efficiency. And the focus we have specifically put on the smart meter side will help us.

Manish Goyal: Thank you so much. I will come back in the queue, Sir. Thanks.

Moderator: Thank you. The next question is from Karthik Agarwal from **Finbouquet**. Please go ahead.

Karthik Agarwal: Good afternoon. Congratulations on reporting a great set of numbers. Due to the recent government notification of having no global tenders for government procurement up to Rs. 200 Crore turnover, what is your view on the competitive landscape of the smart metering bidding process? And what would be your opinion on prepaid meters in this regards?

Jitendra Agarwal: First of all, just to clarify prepaid meters and smart meters are not different. A smart meter can be both prepaid and postpaid. So, whatever the Government of India is talking about is primarily smart meter andthey want to consider that in the prepayment mode. All the smart meters across the globe can be both postpaid and prepaid because you have a two-way communication. Generally, the international bidding has happened primarily in the larger tenders. Mainly EESL has been doing the global tenders. But most of the domestic utilities anyways are not doing global tenders, so as such no international companies are bidding for it. So, this policy will definitely help in some way but it would not be a game changer.

Karthik Agarwal: Thank you Sir.

Moderator: Thank you. The next question is from Abhishek Jain from BP Wealth. Please go ahead.

Abhishek Jain: Sir, congratulations on good set of numbers in current environment. I have read it somewhere that there has been delay in the Chandigarh Smart Metering Projects right now due to lockdown. Do you think this is going to impact us because of the labor restriction and in terms of difficulty in getting the raw material. At this point of time, how is the logistics happeningWhat is utilization level? Any interaction with the government on the smart meter policy and have they given any timeline?

Jitendra Agarwal: I could hear you very briefly, but I will try to answer what I could understand. Your last question is on any government interaction on the smart metering policy. So, government has been showing lot of seriousness on the smart metering as you all know and in the relief package announcement our Finance Minister also specifically mentioned that smart meters are the key to DISCOM reforms. So that speaks for itself as to how serious the Government of India is about smart metering. And just three days back we had an interaction with the Power Minister, Government of India where again he emphasized about the need of the smart meters. So there is no doubt that there is lot of traction about smart meters all across the country. Apart from this, there also will be lot of traction because of the privatization which the Government of India has been talking about. They have already announced all the DISCOMs in Union Territories (UTs) will be privatized. So that will surely bring a lot of traction to smart meters and metering per se. Power Minister specifically mentioned in the call two days back to the industry, that he had a chat with the Chief Minister of UP. And UP Government is very serious on privatization of one of the utilities to start with. And if one of the utilities of UP is getting privatized, it is as good as some of the states in the country in terms of numbers. So that way there is a lot of traction happening. Even if you see the recent Electricity Amendment Act 2020 which was approved by the group of ministers on 5th June 2020, which will now go to the cabinet for further approval. – it If the Electricity Amendment Act 2020 gets approved in the shape it is, it will have huge impact on the DISCOMs of the country and very positive impact on our kinds of business.

Abhishek Jain: What was our capacity utilization percentage in FY2020, on an overall basis.

Jitendra Agarwal: Around 65%

Abhishek Jain: A lot of projects has been halted because of labor shortage right now.

Jitendra Agarwal: You may be talking about the news that came in from Chandigarh. Because they are unable to finalize the project management agency, thus such kind of news has come. Frankly speaking, I do not give any value to that.

Abhishek Jain: Thank you Sir.

Moderator: Thank you. The next question is from Lalit Garg from Global Investments. Please go ahead.

Lalit Garg: Sir, our sales are totally institutional or is there a retail part to it?

Jitendra Agarwal: Institutional.

Lalit Garg: So, our complete outstanding are also with the institutions?

Jitendra Agarwal: Yes.

Lalit Garg: So that is why there is no possibility of bad debts with them.

Jitendra Agarwal: Yes.

Lalit Garg: Thanks a lot that is all, that which is the follow-up question. Thank you, Sir.

Moderator: Thank you. The next question is from Keshav Garg from Counter Cyclical Investment. Please go ahead.

Keshav Garg: Sir like you mentioned that we have 80% market share in smart meters. So who would be the remaining 20%? Which companies are our prominent competitors?

Jitendra Agarwal: We had 80% market share only in FY2020. I am repeating myself, so that nobody gets confused that Genus has a 80% market share for smart meters. So that is not going to the reality in the future. Primarily Larson & Toubro, Zen Electronics and Landis+Gyr. So two major contributors, to the other 20% in the country is Larson & Toubro and Landis+Gyr.

Keshav Garg: Sir also our turnover has been stagnant at around Rs. 900 to Rs. 1000 Crore range since past five years. So when will we breakout of this range?

Jitendra Agarwal: We expected to breakout last year or this financial year. But due to Corona pandemic, I think it will take one more year.

Keshav Garg: In the first quarter, will we breakeven at the PAT level?

Kailash Agarwal: I do not think so. It is difficult.

Keshav Garg: So we will be making a loss in the first quarter.

Jitendra Agarwal: Unfortunately, yes.

Keshav Garg: Thank you very much.

Moderator: Thank you very much. That was the last question in the queue; I would now like to hand the conference back to Mr. Kailash Agarwal for closing comments.

Kailash Agarwal: Thank you, ladies and gentlemen. Thanks a lot and we assure you that we will be doing more than whatever you expect from us under the current COVID situation, so that we do not hurt the company. We will be at least not degrowing this year. Thank you very much.

Jitendra Agarwal: Thank you everybody. Thank you.

Moderator: Thank you very much. On behalf of Genus Power Infrastructures Limited that concludes this conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.