Genus
energizing lives

July 30, 2021

BSE Limited,
(Corporate Relationship Department),
P J Towers, Dalal Street,
Fort,
Mumbai- 400 001

BSE Code: 530343

National Stock Exchange of India Ltd., (Listing & Corporate Communications),
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051.

NSE Symbol: GENUSPOWER

Sub: Press Release on the Unaudited Financial Results for the quarter ended June 30, 2021.

Dear Sir/Madam,

We enclose herewith a copy of Press Release on the Unaudited Financial Results for the quarter ended June 30, 2021.

Thanking you,

Yours truly,

For **Genus Power Infrastructures Limited**

Ankit

Genus Power Infrastructures Ltd.

Ankit Jhanjhari
Company Secretary
Encl. as above

Genus Power Infrastructures Limited
(A Kailash Group Company)
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L51909UP1992PLC051997

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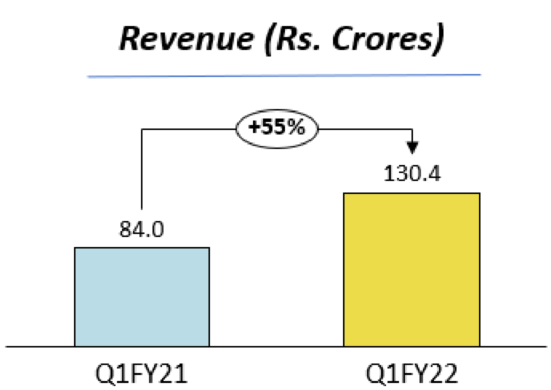
GENUS POWER INFRASTRUCTURES LIMITED

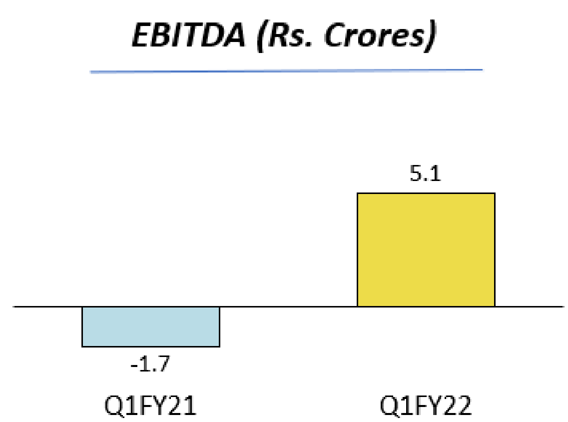
Announces Q1FY22 Results

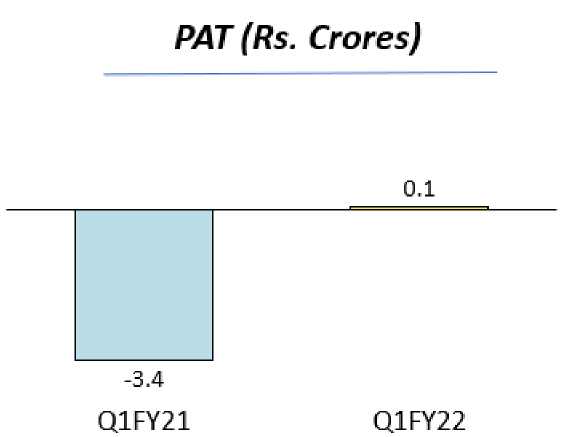
- **Order Book at end of 30th June 2021 stood at Rs. 978 Crore (net of tax)**
- **Order book to be executed over next 9-12 months**

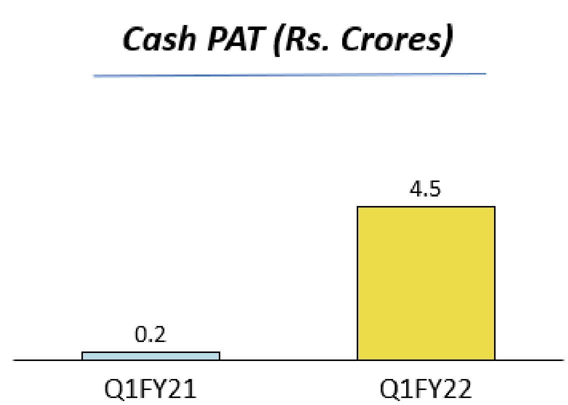
Jaipur – 30th July 2021 – Genus Power Infrastructures Ltd., a leading Metering solutions provider & manufacturer for the Power Distribution Industry, announced its unaudited financial results for the quarter ended June 30th, 2021.

Standalone Financial Snapshot Q1FY22:









Note: Cash PAT includes PAT + Depreciation + Deferred Tax

Performance Highlights for Q1FY22:

- Q1FY22 revenue stood at Rs. 130.4 crore as against Q1FY21 revenue of Rs. 84.0 crore. Our operations were severely hampered primarily in the months of April and May on account of second wave of COVID-19 which had led to lockdowns across various geographies in India
- EBITDA Profit for Q1FY22 stood at Rs. 5.1 crore as against EBITDA Loss of Rs. 1.7 crore in Q1FY21. Higher employee expenses and steeper raw material prices resulted in lower operating margins.
- PAT stood at Rs. 0.1 crore, as against Net Loss of Rs. 3.4 crore for Q1FY21
- Cash PAT stood at Rs. 4.5 crore, as against Rs. 0.2 crore in Q1FY21

Key Business Updates:

- **Dividend**
    - The Board of Directors has recommended a dividend of 50% (Re. 0.50 per equity share) for the financial year 2020-21, subject to approval of the shareholders

- **Order Book**
    - Tender enquiries have been very robust and are at all-time high – with active engagement of various state DISCOMs. However, order closures have been delayed on account of COVID-19 led disruptions. We expect metering tenders to be rewarded during Q2 or Q3 of FY22. As on 30th June 2021, our order book stood at **Rs. 978 crore (net of tax)**

- **Reforms-Based, Result-Linked Power Distribution Sector Scheme**
    - The Cabinet Committee on Economic Affairs (CCEA) on 30th June 2021 approved the marquee Rs. 3.03 trillion power distribution company (DISCOM) reform scheme, wherein the Centre's share will be Rs. 97,631 crore and the balance funds will have to harnessed by the DISCOMs via assorted means, including borrowings
    - **The scheme aims to bring down India's average aggregate technical and commercial (AT&C) losses from the present level of 21.4% to 12-15% by 2024-25**, and also gradually narrow the deficit between the cost of electricity and the price at which it is supplied to 'zero' by 2024-25
    - The **scheme involves a compulsory smart metering ecosystem across the distribution sector** - starting from electricity feeders to the consumer level, **including in about 250 million households**
        - **The government is expected to complete the implementation of smart meters with 500 Amrut cities, micro, small and medium enterprises, and government departments by 2023**
    - **Metering (feeder and DT) will be carried out in TOTEX* mode**. Grant for metering is 15%. Remaining 85% costs are expected to be financed through improvement in billing and collections
    - For any financing options, out of the scope of this scheme, the performance of the DISCOMs would be considered by PFC, REC, Banks/FI's and Multilateral Development Banks
    - Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) have been nominated as nodal agencies for implementation of the scheme

- The scheme will be applicable till 2025-26 and will subsume programs such as the Integrated Power Development Scheme and the Deen Dayal Upadhyaya Gram Jyoti Yojana

*In TOTEX mode, Capital Expenditure and Operational Expenditure interrelation is acknowledged and they receive same attention in planning, implementation and regulation

- <u>**Stringent Qualification Criteria & State-specific Interventions in place of 'one-size-fits-all' approach to ensure successful implementation of Revamped Distribution Sector Scheme**</u>
  - DISCOMs would need approvals from their state cabinets to become part of the scheme. Tripartite agreements between states, DISCOMs and nodal agencies for the scheme will be signed
  - **State DISCOMs have been asked to submit their applications with loss reduction plans to the Union Power Ministry by October 31, 2021**
  - <u>Each DISCOM will have to prepare an action plan for loss reduction, strengthening its network and improving financial performance. The trajectories and reform measures will be finalized separately for each DISCOM</u>
  - The **Union Power Ministry has suggested an indicative list of reforms to be covered by the DISCOMs under the scheme**, which includes - ensuring prompt electricity bills payment by government departments, DBT, annual tariff revision and non-creation of regulatory assets and roadmap for funding accumulated losses, among others
  - To qualify for the scheme, DISCOMs will have to publish quarterly unaudited accounts in 60 days of the end of each quarter, ensure no new regulatory assets have been created, state governments have paid subsidy in full and government bodies have paid bills
  - The Union Power Ministry has also suggested to DISCOMs that they consider giving direct subsidy to agricultural consumers, engage franchisees in some areas and initiate performance-linked transfer policy for staff while submitting their action plan for enrolling in the scheme
  - **Importantly, funds under the scheme will be released to DISCOMs on meeting pre-qualifying criteria as well as upon achievement of basic minimum benchmarks by the DISCOM evaluated on the basis of agreed evaluation framework tied to financial improvements**
    - For metering, DISCOMs will be allowed to claim the grant funds in phased manner for every 5% of meters commissioned against total number of meters awarded
  - Qualified DISCOMs will be eligible for evaluation against the result evaluation matrix. The results evaluation framework for the scheme will be formulated based on the agreed action plan for each state. **The base year for evaluation will be 2019-20 while trajectories will be set for 2021-22 to 2025-26 across various parameters. The DISCOMs will have to score a minimum 60 marks on the evaluation matrix to be eligible for fund release each year**
  - Under the five-year program, if a DISCOM is found ineligible for the reforms-based, results-linked scheme for financial assistance in any year, then the gap in funding to complete its projects will have to be met by the DISCOM or its state government
    - However, the unmet targets for one year will get added to the targets for the next year

Commenting on the performance Mr. Jitendra Kumar Agarwal, Joint Managing Director, Genus Power Infrastructure said, "Our operations in Q1FY22 were severely impacted as inspections were delayed on account of disruptions caused by second wave of COVID-19 - resulting in lower dispatches to SEBs. Lower absorption of fixed costs on account of muted operations also eroded our operating margins, which we expect will be back to earlier levels in the second half of this fiscal year. With rising relaxation of lockdown measures along with increasing vaccinations, our operations are expected to revive sharply over the coming months.

The new scheme i.e. 'Reforms-Based, Result-Linked Power Distribution Sector Scheme' that has been approved by the Government of India portents to significantly change the entire landscape of power sector in India – unlike earlier reform schemes – this scheme has been designed by consulting all stakeholders involved. Implementation of the Scheme would be based on the action plan worked out for each state rather than a "one-size-fits-all" approach. The Standard Bidding Documents has been made by taking inputs from across state DISCOMs, making the entire execution process more practical and easier to implement. It is becoming quite evident from the scale of tenders that have been floated recently, that various states are eager to implement this scheme thoroughly.

The Revamped Distribution Sector Scheme is being seen to address the core issues of billing-collection inefficiencies and pilferage that cripple the Indian power sector. The Scheme provides for annual appraisal of the DISCOM performance against predefined and agreed upon performance trajectories including AT&C losses, ACS-ARR gaps, infrastructure upgrade performance, consumer services, hours of supply, corporate governance, etc.

About half of the total funds of the scheme i.e. about Rs. 1.5 trillion are to be deployed for installation of smart meters. At the same time the 'Pay-as-you-save model' devised by IntelliSmart could be the game changer for Indian smart metering business, for it will lead to easier capex funding as well as lower working capital cycle for DISCOMs.

While in all 250 million Smart meters are planned to be installed during the scheme period of five years, priority would be given to install Smart Meters in a mission mode in the first phase in all Electricity Divisions of 500 AMRUT cities with AT&C Losses > 15%, all Union Territories, MSMEs and all other Industrial and Commercial consumers, all Government offices at Block level and above etc. The scheme proposes to install approximately 100 million Smart Meters by December 2023 in the first phase.

Considering the specialized nature of smart meter industry in India and an enormous market, we expect price realizations to remain healthy and the forthcoming period of 5 to 6 years to remain very favourable. Also, as a strategy we have designed our building and manufacturing infrastructure in a way, which will enable us to easily double our manufacturing capacity in short period of 6 months, whenever required.

As smart meters are high-end products (viz-a-viz conventional meters), the profitability is also better. And with end-clients increasingly requesting for end-to-end solutions with Facility Management Services (FMS) leads to increased incentive of recurring revenue. We expect the FMS component of our revenue to constitute about 8 to 10% of our total revenue, in foreseeable future.

We provide end-to-end metering solutions to clients with metering communication, services and solutions. India's energy consumption is set to grow 4.2% a year by 2035 – fastest among all major economies. More than 25 crore consumers are grid connected, whose conventional meters will need to be replaced by smart meters. Thus, there is a tremendous growth prospect for us in the years ahead and we are fully geared up to capitalize on this enormous opportunity."

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

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.

For further details please contact:

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