

August 10, 2022

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: Transcript of Earning Call.**

Dear Sir/Madam,


We enclose herewith transcript of Earnings Call held on August 04, 2022 on the unaudited financial results for the quarter ended June 30, 2022.

Kindly take the same on your record.

Thanking you,

Yours truly,

For **Genus Power Infrastructures Limited**



**Ankit Jhanjhari**  
**Company Secretary**  
Encl. as above





# “Genus Power Infrastructures Limited Q1 FY2023 Earnings Conference Call”

**August 04, 2022**

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 04<sup>th</sup> August 2022 will prevail.



**MANAGEMENT: MR. KAILASH AGARWAL – VICE CHAIRMAN – GENUS  
POWER INFRASTRUCTURES LIMITED  
MR. JITENDRA AGARWAL – JOINT MANAGING  
DIRECTOR – GENUS POWER INFRASTRUCTURES  
LIMITED**

**Moderator:** Ladies and gentlemen good day and welcome to the Genus Power Infrastructure's Limited Q1 FY2023 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 '\*' and 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 Sir!

**Kailash Agarwal:** Good evening, ladies and gentlemen. I sincerely apologize for the delay today happened because of some technical issues and all. A very warm welcome to the Q1 FY2023 earning call of Genus Power. With me I have, Mr. Jitendra Agarwal, Joint Managing Director of the company and SGA, our Investor Relation advisors.

We have recorded sales of Rs.187 Crores for Q1 FY2023 up by 43% as compared to Rs.130 Crores in the last financial year. Revenue growth for Q1 FY2023 was affected on account of reduced capacity utilization due to disruptions in supply of semiconductors and other essential electronic items. However, we expect that the normalcy in supply chain to be restored within the next three months and anticipate a sharp revenue rebound in Q2 of this financial year.

For Q1 FY2023 EBITDA stood at Rs.14 Crores as compared to Rs.5 Crores in last financial year, a jump of 183%. Sequentially higher prices for raw material and a lack of operating leverage as a result of lower capacity utilization continued to hamper operating margins. In April 2022, we received a letter of award for appointment of Advance Metering Infrastructure Service Provider (AMISP) including design of AIMI system with supply installation and commissioning of about 10 lakh smart prepaid meters, DT meter level, energy accounting and FMS for these smart meters from a state utility. The total order was Rs.828.57 Crores (net of taxes) is the single largest order finalized by any state in India for AMISP.

As on June 30, 2022 our order book stood at Rs.1,855 Crores (net of taxes). Just a few days back on July 30, 2022 the Prime Minister Narendra Modi launched the power ministry's flagship Revamp Distribution Sector Scheme (RDSS) which aims to improve the operational efficiencies and financial sustainability of stressed power distribution companies (Discoms) and state power department. Discoms suffer massive losses due to

power theft, AT&C losses, meter tampering and inaccurate billing. Let me open the floor for the questions because JK is somewhere else and he will be answering more of the questions, so let us try to do that then.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Mohit Kumar from DAM Capital. Kindly proceed.

**Mohit Kumar:** Good evening Sir. Sir my first question is on the order inflow outlook for the balance of the year? Of course the government it looks like the RDSS system is in place and host of other UP, MP, Discoms in pipeline can you please update us to the status of this? That is the first question.

**Jitendra Agarwal:** I will distribute the order inflow in three modules for the live tenders, which are already being quoted. In smart meters, there are two types of live tenders that are currently available. One is on the opex model and one is on the capex model. On the capex there is a live tender of around Rs.280 Crores, which are already been participated and on opex model there is a live tender of Rs.774 Crores which has already been participated. In there, lot of conventional metering tenders which has already been participated, that is to the tune of Rs.1089 Crores almost Rs.1100 Crores so these are conventional meters. So in toto as on date the tenders worth Rs.2000 plus Crores already participated which we call them live tenders. Tenders which are already out and to be participated,, in the Topex model there is a tender of 10 million meters of PowerGrid this is 1 Crores meter. So Tenders of almost Rs.10,600 Crores to be participated. Then there are opex model tenders of 75 lakh meters in the market. The value is around Rs.7000 Crores is the estimated value again these are to be quoted. These are on the opex model. And then there are smart meters capex model tenders primarily from EESL and some of the utilities so they are to be participated again so worth Rs.815 Crores and there some conventional meters tenders to be participated which are worth Rs.300 Crores. So in total tenders of almost Rs.20,000 Crores are open in the market to be participated and already participated. Participated is around Rs.2000 Crores as of now. In tender it will be participated in the next three to five months it will be to the tune of Rs.16,000 Crores to Rs.17,000 Crores. So this, the current line and just to add on to this almost every state electricity board are able to spill. Officially as on date that is Rs.87,702 Crores of RDSS schemes for different DPRs of across all the states electricity boards have been approved by the Government of India this is the official figure. It is in the REC website, as on date.

**Mohit Kumar:** Sir of course there is a large order which is expected over. The opportunity is very huge but how much you are willing to take and how much is your appetite and the question is that given the order book right now what kind of top line is possible in FY2023?

**Jitendra Agarwal:** FY2023 in the Q1 and Q we do not see 100% normalcy happening. That has been the major reason so FY2023 we expect the topline and Earlier we have given the guidance that of around Rs.1200 Crores. I see that going down in FY2023. So currently I can give you the guidance of Rs.1000 to 1050 Crores. In H2 will be the rebound for FY2023. In contract booking wise in FY2023 most of the tenders will be decided. The order book position will be very, very healthy for FY2024 by the end of FY2023.

**Mohit Kumar:** Okay Sir thank you Sir and best of luck. Thank you.

**Moderator** Thank you. The next question is from the line of Nikhil Jain from Galaxy International. Please go ahead.

**Nikhil Jain:** Thank you for the opportunity. Just a couple of questions actually. Sir first is related to the current order execution in this particular quarter. So is the muted topline basically only because of the semiconductor issues and the electronic chip parts or is there any other reason related to the government or related to the capacity or any other issues so that is point one?

**Jitendra Agarwal:** I would say not only the major, the only reason is the semiconductor issues. Still it has not become absolutely normal the way we would have liked it to be.

**Nikhil Jain:** So what we hear from the automobile companies and other lets say electronic manufacturing companies is that the shortage is easing and they now able to ramp up their productions?

**Jitendra Agarwal:** I will just take two minutes of the audience. It will be of interest for everyone. All these electronic components they are primarily three takers. First is the consumer electronics. The second is the automotive industry and the third is the industrial. We come in the industrial sector. Definitely the consumer electronic offtake has slowed down significantly due to recession and exponentially and requirement has also come down - that is the reason it has eased out to automotive to a very large extent. In the automotive industry will get back to normal days, in the next two to three months. So we also envisage because the consumer electronics requirements has gone down significantly. Automobile has almost normalized or will normalize in the next two to three months and there will be significant improvement in for the availability of components for industrial electronics. That is the reason I confidently feel that H2 will be much better for companies like us in comparison to H1.

**Nikhil Jain:** Sir related question so if there would not have been any semiconductor issue and with an order book of let us say around Rs.1800 odd Crores that we had in the last quarter - so how much would have been put potentially be able to be done in this quarter let say hypothetically assuming that there is no?

**Jitendra Agarwal:** So we would have done at least 75 topline more if there had not been an issue commercially.

**Nikhil Jain:** Sir the second question is related to the guidance so I just heard that you are revising the guidance for the year to around Rs.1050 odd Crores from let us say Rs.1300 Crores to Rs.1400 Crores that we had at the start of the last quarter. So what has actually change because at that time also we were saying that Q1 is not expected to be good. The things will only improve from Q3. So why are we actually changing the guidance from Rs.1400 odd Crores to Rs.1000 odd Crores. So can you just please share your thoughts?

**Jitendra Agarwal:** We always gave a guidance of Rs.1200 Crores to Rs.1250 Crores. We never gave the guidance of Rs.1500 Crores. I was not expecting Q1 to be bad or difficult. We were quite confident that things will ease out and we will be doing much better than what we have done. That is the reason I want to change the guidance of the whole situation. Our target will always be to do better than we guided. That goes without saying, but that is the only reason we wanted to change the guidance.

**Nikhil Jain:** Because it is becoming like say every quarter it kinds of moves forward actually right so we expect that Q2 quarter to be better and Q3 will be better and now you are saying for the full year the requirements will be not so good actually right so things will move to FY2024?

**Jitendra Agarwal:** Q2 things will definitely get better, but Q1 was much below the expectations. That is the reason we are reducing the guidance..

**Nikhil Jain:** Sir just one last question so with this let us say new guidance for the year, would we able to achieve our optimum margins let us say when we exist FY2023 let us say in Q4 of FY2023 the optimum margin of let us say around 16% to 17% that we have said earlier?

**Jitendra Agarwal:** We also expect our margins will improve to the normal levels by the end of this year.

**Nikhil Jain:** Okay fair enough Sir. Thank you and I will joint back in the queue.

**Moderator** Thank you. The next question is from the line of Priyanka Singh from Acadian Securities. Kindly proceed.

**Priyanka Singh:** Good evening. I have a couple of questions. Firstly can you explain in detail that out of our total order book of Rs.1855 Crores how much has been received by us as the system integrator for the supply of smart meters? How much capital expenditure will the company be doing for the same and what is the repayment schedule for state electricity boards? What is the service fee component?

**Jitendra Agarwal:** I am not very clear with your question that you want to know how much meters we will supply to the system integrators.

**Priyanka Singh:** Correct? So basically how much out of the total order book we have received as a system integrator for supply of smart meters?

**Jitendra Agarwal:** As a system integrator we are doing only one project which is on the opex basis which is the Bihar one, where we have to supply one million meters that is Rs.828 Crores order what we have. The other one is what we have to supply there are orders worth Rs.500 Crores which are purely supply orders of energy meters. We have around Rs.200 Crores plus orders of facility management services which is like AMC.

**Priyanka Singh:** I also want to understand what is the repayment schedule for state electricity boards and what is the service fee component?

**Jitendra Agarwal:** What is fee component?

**Priyanka Singh:** Service fee component.

**Jitendra Agarwal:** I will just give you the breakup. Out of this Rs.1800 Crores order. Rs.500 Crores is purely supply orders of electronic energy meters which we will be supplying to different electricity boards, system integrators etc. And there are orders where we have taken turnkey projects where we have to supply the meters related to projects like what we are doing in Tata Power - so those are the projects, which has got Rs.150 Crores order book where we have to supply meter, do the installation and also maintain some of the meters for some time. And then this order book we have almost Rs.200 plus Crores of SMS orders, where we have already installed the meters where we will be doing the servicing of these meters the way we are doing current in Rajasthan, Tamil Nadu and then in Uttaranchal, Jharkhand. So all these will be service orders where meters have been stabilized, installed and now we will have to maintain them for three years, five years so that order will be around Rs.200 Crores. so this is the breakup of our order book.

**Priyanka Singh:** How will you account for it in your books from a P&L standpoint? Will such contracts have a negative impact on your working capital cycle?

**Jitendra Agarwal:** The projects what we are taking as AMISP in Bihar, there say for Rs.1000 Crores project - 32.5% is paid upfront by the board 10% is the advance, 2.5% is on, the remaining is in the equal monthly installments for seven and a half years. So the way we will receive the payments the billing will be done accordingly to customer.

**Priyanka Singh:** Okay with state Discoms always facing cash crunch as the system integrator how do we secure our monthly payments for the six to eight years?

**Jitendra Agarwal:** So all these AMISPs if you see the standard bidding documents from the Ministry of Power, Government of India. They have clearly given where the money whichever is generated from the prepaid meters initial, first it is debited to the account of the AMISP provider so these are 100% secured money. Definitely more secured than the clean credit that we are giving to state electricity boards currently. So there we do not see any challenge in that.

**Priyanka Singh:** Lastly how does the company plan to secure itself from this arising from state government policy intervention, if it plans to play long term role of being a system integrator?

**Jitendra Agarwal:** Can you repeat the state government?

**Priyanka Singh:** I am trying to understand that how do we plan to secure ourselves from the risk arising out of the state government policy intervention if we plan to play a long term role of being the system integrator?

**Jitendra Agarwal:** I got your point. Once we have become a system integrator and we have installed let us say let us take the example of Bihar. We have installed one million meters for the complete metering billing. It is being taken care by us. So state government is equally liable to work with us very closely because they have one million consumers are being handled by us directly and they cannot put anybody else to take care of those consumers because all the meters and complete communication is done by us. So they are equally, even if any kind of policy changes, nothing can be changed on the smart meters once it is installed. These meters – there is a clear mechanism where all these meters are being charged or recharged under our software system. There the first money of AMISP is paid to the AMISP. Let us say we are getting Rs.70 per meter per month for 10 lakh meters. So this Rs.70 Crores has to come from SEB every month. So all the recharges till the Rs.7 Crores is done it will come to Genus. After then only whatever the amount comes if it is Rs.79 or Rs.700 then it goes to the electricity board. It is a very, very safe mechanism of securing money. It is much more secure than the current supply business what we do with EBs.

**Priyanka Singh:** That was very helpful. Thank you.



- Moderator:** Thank you. The next question is from the line of Anshuman Ashit from ICICI Securities. Kindly proceed.
- Anshuman Ashit:** Thank you Sir for the opportunity. There are a few questions. Sir firstly there was a negative other income booked during the quarter. Would you please explain what was it exactly?
- Kailash Agarwal:** Basically that is a notional valuation. The company has a treasury of almost Rs.200 Crores invested in AAA rated bonds and all. So if the valuation of the bonds that is showing other income I mean.
- Anshuman Ashit:** At the end of the period, bonds were revalued and the difference?
- Kailash Agarwal:** Yeah, yeah
- Anshuman Ashit:** Sir the employee cost was also a bit higher during the quarter so is it because we have started mobilizing our resources for the Bihar project or is this some other?
- Kailash Agarwal:** Yes. We have already started building up infrastructure for these smart meters things and all so that has increased.
- Jitendra Agarwal:** So lot of work is happening on the development of value added products - so since the topline is low we can see the impact of employee cost So you will see on all the investments what we are doing currently will have a great future ahead of us.
- Anshuman Ashit:** Okay Sir on the Bihar project itself so what is the current status at which stage are we currently? Have we received any advance?
- Jitendra Agarwal:** We have got the first tranche of advance of Rs.15 Crores.
- Anshuman Ashit:** The project is on schedule, so we will start implementation from September onwards?
- Jitendra Agarwal:** Yes the project is very much on schedule. The government is also very aggressive on me. Yesterday only we had a review meeting. Everything is on the line.
- Anshuman Ashit:** Sir just wanted to confirm once the order book composition that you had just mentioned. So you said that Rs.500 Crores is for electronic energy meters the hardware which are providing? Rs.150 Crores is for turnkey projects? FMS is Rs.200 Crores and around Rs.800 Crores for the Bihar project. Is there something that I have missed beyond this?

- Jitendra Agarwal:** There is the order book of gas meters also. We do gas meters which is around Rs.20 Crores.
- Anshuman Ashit:** Do we have any export orders also currently on the book?
- Jitendra Agarwal:** Yes. There are some export orders also.
- Anshuman Ashit:** So there are some export orders in the order book?
- Jitendra Agarwal:** Yes there are some very good export orders and we expect to get our export back to normalcy. What we were doing three years back we were almost three figures in exports. So we are pretty confident that by the end of this year we should be back at least those numbers that we had three years back in our export market.
- Anshuman Ashit:** So it can be around 10% of the revenue?
- Jitendra Agarwal:** For this financial year we expect it to be.
- Anshuman Ashit:** Sir finally on the margin guidance for the whole year, if you could inform us what it will be because there is where revision in the revenue guidance. So is there any revision in the margin guidance?
- Jitendra Agarwal:** No this will be because first as I said expense is going to be pass equity also that gains are expected it to be so tough so the Margin guidance also expected to be 13% to 14%.
- Kailash Agarwal:** So we will be on the normalcy from third quarter and fourth quarter but the total full year margin will be around 13-14%.
- Anshuman Ashit:** Understood. Thank you Sir and all the best.
- Moderator:** Thank you. The next question is from the line of Anurag Patil from Roha Asset Managers. Kindly proceed.
- Anurag Patil:** Thank you for the opportunity. Sir, are we planning to bid for further system integrated orders of the scale of Bihar which we have already got?
- Jitendra Agarwal:** We have a very clear-cut guidelines generally to certain extent only we will go as the AMISP on our own balance sheet.
- Kailash Agarwal:** Basically we can say like that, that we will be not taking too much of AMISP on our balance sheet. So basically we have taken this order. Now we will be participating more in supply, supply of the meters but then if our balance sheet - whatever we will be do we will

do on the basis of our balance sheet and we are ready to make some SPVs of these project and bring in project specific investors also so whenever we are doing in the AMISP. In the start of the tender bidding process also and after bidding process also. But that will be project specific only.

**Anurag Patil:**

Okay Sir understood thank you.

**Moderator:**

Thank you. The next question is from the line of Nikhil Jain from Galaxy International. Kindly proceed.

**Nikhil Jain:**

Thank you for the opportunity again. Sir I just wanted to check whether the ordering and the tendering process that is currently happening - is it as per the earlier plans that we had or is it going slow. Because in quarter one at that time of quarter one also our order book was around Rs. 1800 Crores and after doing this 200 Crores our order book is still Rs.1800 Crores. So in this last three months odd we have got Rs. 200 odd Crores new orders right. So is it like because the tendering is going slow or there is some change in the market share or something?

**Jitendra Agarwal:**

Tendering is going slow because the products that we have supposed to be finalized under DPR. What the government has given the guidance earlier with all the DPRs should be frozen by 30th October last calendar year and by 31<sup>st</sup> December all the tenders should be out. But because there was some gaps between the state government and the central government and there was a supply shortage also. So the government has come out with an empanelment guidelines for all the new tenders. Because of this empanelment process all the tenders got delayed around six months. so now There will be lot of tenders in the pipeline and you will see lot of decisions happening in next six months. There is a lot of pressures from the central government and now even Prime Minister has also spoke about it very openly. Unless there is a very strong homework being done by the power ministry, PM we will not give any statement.

**Nikhil Jain:**

Just one more question. So our current market share or you had said over the last couple of years our market share has been roughly around 25%, 27% on the smart meter side. We expect to maintain that number or even with the increased tendering requirement even the capacity that we have built right.

**Jitendra Agarwal:**

In the current scenario yes we surely expect to maintain the market share.

**Nikhil Jain:**

Fair enough that is all from my side. Thank you.

- Moderator:** Thank you. The next question is from the line of Harshit Dole from Flare Capital. Kindly proceed.
- Harshit Dole:** My first question how much of the revenue is the ratio between the project base and the product base?
- Jitendra Agarwal:** So our prime revenue is asset based only.
- Harshit Dole:** Where do you want this ratio to be?
- Jitendra Agarwal:** In the last quarter you want to know.
- Harshit Dole:** No, in the times to come where do we want this ratio to be.
- Jitendra Agarwal:** No what do you mean by projects like is that like we are doing a turnkey project of the smart meter in Jharkhand.
- Harshit Dole:** No, I need the order book versus our day to day revenue business like that?
- Jitendra Agarwal:** I did not understand your question.
- Harshit Dole:** No, what I am trying to say is are we showing only our order book in our revenue, the revenue is not only of order book, right. It includes also the day today which is activities like selling of other products or is it we only meet the order book in our revenue.
- Jitendra Agarwal:** Order book in revenue I am sorry I cannot get your question.
- Harshit Dole:** Okay I will shift onto my next question. What is our hedging policy, do we hedge as soon as we get the order, because the majority of our orders are fixed priced.
- Jitendra Agarwal:** So majority of our orders are fixed priced. We have a very standard hedging policy. For some percentage of our components we do the hedging.
- Harshit Dole:** We have order book of approximately Rs.1900 Crores. What is the execution duration of this order book Sir.
- Jitendra Agarwal:** Order side earlier I have given the breakup of the order book. So we will see the execution will be in two parts. The FMS orders it has to be over the next five to six years. And then they also supply orders to be executed within in this financial year. So it will have the breakup of all three.

**Harshit Dole:** My last question Sir. As a system integration we get better payments and that is only Rs.800 out of our total Rs.1900 Crores order book. So going down where do we want this to be, the share of system integration revenue.

**Jitendra Agarwal:** When we call ourselves system integrators, we are doing end to end. When we do end to end system integrator we do it on the opex and capex basis both. So since it is on the opex basis as I explained earlier also we will make something upfront. It is on the capex basis then it is on the milestone that when you supply the meter, you will get some money, you install the meter, you get some money, you establish communication center, you get some money. So it depends on the payment terms of the particular project. So if you see Genus has a very clear cut in terms of guidelines how much we want to run as system integrator and then it is on the opex basis. how much we want to work as the system integrator on the capex basis and how much we will be as supplier to system integrators or to the state electricity boards. So Genus will be playing role in all the three businesses.

**Harshit Dole:** These are my questions. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Anjana Shah from Shah Investment. Kindly proceed.

**Anjana Shah:** Thank you very much for this opportunity Sir. Couple of questions from my end first being Sir if you could tell us when can we expect the availability of the semi conductors to normalize.

**Jitendra Agarwal:** It will normalize in next three to six months to a very large extent.

**Anjana Shah:** Second question is basis we have the capacity to produce to around say 10 million commercial meters. Can we replicate the same capacity for manufacturing smart meter or will we have to decrease our capacity.

**Jitendra Agarwal:** No, almost similar capacity guidance we have given earlier also, Genus can comfortably produce 9 to 10 million meters - the smart and conventional meters.

**Anjana Shah:** And Sir how much capital will be required to double our capacity from current levels? Is it possible to double our capacity in a year.

**Jitendra Agarwal:** Very minimal and within next three to six months we get enhance our capacity to almost double - so the way we have to put our manufacturing in a way we are basically integrated our plant. Doubling our capacity will not require much of Capex.

- Anjana Shah:** Sure Sir that was really helpful thank you so much.
- Moderator:** Thank you. The next question is from the line of Nikhil Jain from Galaxy International. Kindly proceed.
- Nikhil Jain:** Thank you for the opportunity again. Sir just wanted to know whether all the legacy order which was low margin orders because of the commodity price increase - are they kind of finished or are they are still pending and how much of this?
- Jitendra Agarwal:** Some are still pending
- Nikhil Jain:** So by when do you expect them to be finished?
- Jitendra Agarwal:** Slowly and gradually in next two to three months.
- Nikhil Jain:** And in this quarter would that be finish this quarter two.
- Jitendra Agarwal:** More or less
- Nikhil Jain:** So then it will touch little more than quarter two also, right?
- Jitendra Agarwal:** Very minimal.
- Nikhil Jain:** And all the new tenders that we have kind of quoting in so we are taking into account all the commodity price increase and they will come with the right margins that the company aspires to, right?
- Jitendra Agarwal:** Of course.
- Nikhil Jain:** And the last question is there anything that can actually happen in the environment which can delay this entire process of the orders and the entire implementation and all for the projects that the states are doing. Is there anything that - what is the risk basically that we have we have got the semiconductor one and the timeline shifting? So what is the risk that we might have in this year? and that deposit needs to be in next year I think.
- Jitendra Agarwal:** As such on the ground we are unable to envisage any major risk so to the extent only the way the China war happens or something happens, something happens grossly wrong to the world and everything will be impacted. So I do not think any major risk.
- Nikhil Jain:** Fair enough and Sir just one last question so when we do this Capex plus the Opex model basically so for a Rs. 800 odd Crores project, the equipment supply and the system

integration work was something like 60%. Is that my understanding correct or is there further numbers.

**Jitendra Agarwal:** It is around 45% to 50%.

**Nikhil Jain:** 45% to 50% is the equipment supply and rest is the system integration and other work right and the facility management services and all.

**Jitendra Agarwal:** Yes.

**Nikhil Jain:** Thank you.

**Moderator:** Thank you. The next question is from the line of Aditi Jhawar from ADM Advisors. Kindly proceed.

**Aditi Jhawar:** Thank you so much for the opportunity. I have couple of questions. First is Sir what is the capacity utilization in Q1 FY2023. Second is how much revenue growth...

**Jitendra Agarwal:** Capacity utilization is almost same.

**Aditi Jhawar:** How much revenue growth do we anticipate over the next three to four years from current level.

**Jitendra Agarwal:** Next three to four years whatever that Government of India is planning and they may see some capacitive on the power which. We are really confident on the ground and I am expecting from the current levels whatever the peak levels Genus has seen – two to three times growth comfortably.

**Aditi Jhawar:** And the smart meters replacing conventional meter, so what is your guidance on operating margins in the upcoming years.

**Jitendra Agarwal:** Operating margins will be little better than the smart meters because of the high value add

**Aditi Jhawar:** Just last two questions how much would service fee contribute to our total revenue in the future and what were their margins be.

**Jitendra Agarwal:** Service fee will depend on the kind of projects we will do. It is very difficult to give the guidance currently that what percentage of service revenue will be there every year. That will depend on the kind of projects we do. It will be good numbers, but I do not want to give any guidance right now. And a lot will unfold in next 12 to 18 months - on what kind

of projects we take and how much of these revenues we try to build in that. Currently our service orders FMS what we have to execute, excluding that we have order book is more than 200 Crores - that is to be executed in next four to six months.

**Aditi Jhawar:** Sir can you explain the competitive scenario like when it comes to smart metering industry in India so like with multifold increase in industry side are we likely to see entry of other Indian or international companies in this space.

**Jitendra Agarwal:** Currently I am not seeing lot of manufacturers getting into the foray. Lot of system integrators are getting into the foray. We are not seeing any. Only the old manufactures who are already there, we are not seeing any new comers coming - currently.

**Aditi Jhawar:** Thank you Sir, thank you so much it was helpful and all the best for the upcoming quarters.

**Moderator:** Thank you. The next question is from the line of Anuj Shah from Srinath Securities. Kindly proceed. As there is no response we will go to the next question. We will be taking the next one as the last question is from the line of Milan Shah from Urmil Research Consultancy. Kindly proceed.

**Urmil Shah:** Sir, I want to understand our smart meter is it tamper-proof?

**Jitendra Agarwal:** No it will give the tamper proof meter. Even all the electronic meters supplied in India are tamper proof.

**Urmil Shah:** Because in our space some layman is doing, its remote control with the Gujarat State Electricity Board smart meters.

**Jitendra Agarwal:** I understand what you are saying We are fighting with these kind of people but that is very minimal. Electronic meters are very strong tamper proof meters and are not easy to be tampered It is a herculean task to tamper.

**Urmil Shah:** So, I asked regarding so because we are going to get more and more orders and with this kind of payment and then what is the benefit of government?

**Jitendra Agarwal:** You have to understand one thing if I got to know that somebody is tampering the meter, so that meter has told the government that it has been tampeerd. So somebody else could get computer device on a meter and try to tamper it, immediately whenever meters reader will check the meter, they will get to know. Automatically if anybody will fiddle with the meter we will come automatically it will be known to the electricity board. So smart meter is the need of the hour for the nation.





*Genus Power Infrastructures Limited*  
*August 04, 2022*

- Urmil Shah:** And Sir what is the debt currently company owns?
- Kailash Agarwal:** Right now company is a net debt free company.
- Urmil Shah:** Sir considering our company the 25% tax rate or we are in already in oldtax regime?
- Kailash Agarwal:** No we are in 25% tax rate.
- Urmil Shah:** Okay thank you sir best of luck for excellent future.
- Moderator:** Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to the management for closing comments.
- Kailash Agarwal:** A lot of business we are seeing in the coming times and we will not disappoint you for sure. Thanks a lot, thank you very much.
- Moderator:** Thank you. Ladies and gentlemen on behalf of Genus Power Infrastructures Limited that concludes this conference. Thank you for joining us you may now disconnect your lines.