

KEYTAKEAWAYS FROM ANNUAL REPORT 2015-16

MAKE QUALITY RELATION PROUD...

INFRASTRUCTURE AND FACILITIES

Genus is equipped with automated SMT lines, Lean Assembly techniques and the state-of-the-art manufacturing facilities with complete forward and backward integration, which enable it to provide highly innovative solutions at affordable price.

RESEARCH AND DEVELOPMENT (R&D)

Powered by in-house avant-garde R&D Center, recognised by the Ministry of Science and Technology, Govt. of India and accredited by National Accreditation Body for Testing Labs 'NABL', Genus is uniquely positioned to shape the future of our industry, and more than ever before, to give earlier response to the changing needs of our clients.

MISSION

Delight customers with high quality, innovative products and services in electrical and electronic fields.

VALUES

The values that guide our every action are:

VALUES Exceed customer satisfaction in terms of quality, price, on-time delivery and support always adhere to proper and high business ethics provide a place and nurturing environment for our employees to flourish and grow. Develop long term relationships with the vendors/business partners to support our goals.

Chairman's Letter to Shareholders

Working Hard and Delivering Excellence with Simplicity... ..Maximising Value to WIN.

-Ishwar Chand Agarwal

Chairman

I am gratified with the continued growth of market share in the arena of 'smart metering' and 'power infrastructure'. I am more excited about the pace and scale of execution that our Company is undertaking to fulfill our unwavering aim of creating long-term shareholder value.

We closed the financial year 2015-16 on strong note with revenue and profit almost in line with our estimates. I am happy to inform that Genus achieved its highest ever operating profit (EBIDTA) of Rs.138.41 crore during the year. Post adjustment of power backup solutions business (discontinued with effect from April 01, 2015), our sales increased by 6% to Rs.869.24 crore and the bottom line (PAT) increased by 53% to Rs.78.45 crore. We creditably reduced our gross debts by 35% to Rs.233 crore from Rs.360 crore reported in the previous year. The Company has a vision to make it a debts free company in coming years and it will be done by internal accruals and by liquidating its investments and loans. Our net worth reached to Rs.656.60 crore with a book value of Rs.26 per share. In line with our commitment

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to deliver an incremental reward corresponding to performance of the Company, the Board has recommended a higher dividend of Re.0.25 (i.e. 25% of the face value of Re.1 per share) per equity share as against Re.0.20 (i.e. 20%) per equity share in the previous year.

Genus continued to widen its wings in the area of providing smart metering solutions to power T&D sector with unique range of end-to-end smart metering solutions. Genus's smart metering solutions are continuing to achieve the improbable results, in tackling the issue of power utilities/discoms and in improving their competency & profitability.

With the decades of experience in providing customized and top notch solutions for power transmission and distribution sector such as smart metering solutions, smart metering communications including control & automation software, smart prepayment meters and net metering solutions, Genus is uniquely positioned to cater to needs of the power sector and to become one of the largest beneficiaries of the government's ongoing reform initiatives.

While India continues to be our stronghold market, we believe that our next level of growth will come from developing international markets. We understand that UK and African markets are offering huge opportunities to deploy latest and most innovative energy metering technologies such as Smart Meters, Prepayment Meters and Net Metering Solutions to create a smart energy infrastructure. Our focused international thrust is based on constant rising demand and building aspiration for smart metering solution in identified international markets. We are strategically ready to capture the opportunities through our representative offices in fastest growing regions in the world. Towards this, Genus has already opened an office in Singapore to assess and grab business opportunities in that region. Looking forward, with the aggressive plans to increase our access to the domestic and international market as well, I am fully optimistic of the rapid growth of the Company in the upcoming years.

We spent more than 14 percent of our profit on R&D during the year under review. Our constant focus on R&D always provides us a competitive advantage in all areas of business and makes us the preferred choice of power utilities/discoms.

I want to conclude this letter with special thanks to our amazing group of long-term shareholders who not only supported us, but also encouraged us for our long term approach to business mission. I promise them for the next phase of superlative growth in the coming years.

The revenue from operations ('Adjusted Sales') increased by 5.77% to Rs.86923.96 lacs from Rs.82184.70 lacs in the previous year. This was the result of our increased market share in the arena of smart metering and power infrastructure on the strength of our in-house innovation and engineering capabilities with constant cost discipline.

Management Discussion and Analysis

Though, the Indian power sector has come a long way since the introduction of major reforms in 2003 with the enactment of the Electricity Act, 2003. The all India installed capacity of power generation has reached 302 GW as on March 31, 2016. During 2015-16, India added 23977 MW of power generation

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capacity against 22,566 MW in FY 2014-15. Against the target of installed capacity addition of 88,537 MW in the 12th Five-year Plan, India has added 84,991 MW till March 31, 2016. During 2015-16 the overall electricity generation was 1107 billion units (BU) against 1048 BU during 2014-15. By 2020, there will be an estimated demand for 1,900 BU.

India undoubtedly needs a massive leap in its electricity generation and supply to provide adequate support to country's growth aspirations and keep pace with soaring power demand. In order to sustain the country's rapid economic growth, it is imperative that the government make every effort to scale the capacity up across the entire power value chain and implement reforms and policies aggressively to get optimum results. In order to meet the India's growing power demand in the very near future, an investment of US\$600 billion is estimated across the power value chain. It is projected that Indian's energy production has an investment potential of \$250 billion by 2019 and about \$1 trillion by 2030.

The recent union budget reflected the government's conviction that power sector is crucial for economic growth. The fund allocation for the key power sector programs has been raised to around Rs.79000 crore. The government has eased the norms of FDI, doing of business and taxation, and trying all the ways to attract FDI in this sector. The central government is targeting universal and affordable electricity access by 2019.

We believe the government's prudent policies and their stricter implementation will pave the way for a successful future of Indian power sector and thereby will change our economy radically.

The annual union Budget 2016 has given a special attention on rural infrastructure and targeted 100% rural electrification by May 01, 2018.

As per the report, transmission and distribution (T&D) losses is around 22% and AT&C losses is around 23% of total power generation in India. India's T&D losses are almost 2.5 times the world average, which is quite high.

In the present situation, India needs more collective efforts for sustainable power transmission and distribution system. Simultaneously, Indian T&D industry needs to benchmark ourselves with the best in the world to grab the big opportunity with both hands, in power T&D sector. For the next few decades, India T&D sector is likely to remain hotspot that can provide excellent growth opportunities and increase their customer base.

Power utilities deploy energy meters as a key component of grid mechanism to measure and monitor electricity consumption at all levels of transmission and distribution. In the entire power supply value chain, energy metering is the only revenue generation link as it is used for billing the consumption of electricity supplied to consumers.

There is an increasing emphasis on Smart Metering technology, which serves as a single point of access both for customers and utilities for real-time usages, price and a variety of information. Smart meter not

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only facilitates consumer in managing their power demand but also help utility in detecting and locating outages, and ensuring rapid restoration of systems.

Given the current situation of power sector in India, Indian power utilities are nowadays extensively using the smart meter and smart metering systems in its entire power supply system and getting tremendous success in reducing AT&C losses. With accurate monitoring and billing, DISCOMs are getting better revenue collections and continuously improving both, financial and technological aspects.

The government’s ongoing policies and programs such as ‘Integrated Power Development Scheme’, ‘Deen Dayal Upadhyaya Gram Jyoti Yojana’, Smart Cities, ‘Make in India’ and ‘Digital India’ are creating a huge requirement of smart metering solutions in India.

In the year 2015-16, Genus has been able to achieve new landmarks in both production and installation of metering solutions. In this financial year, Genus produced around 6.90 million meters as against 5.26 million meters in the previous year and installed around 6.66 million meters as against 4.90 million meters in the previous year.

SHAREHOLDING:

	0	0.00					
ASHISH KACHOLIA			15/01/2016	2585328	Transfer	2585328	1.01
			22/01/2016	1474924	Transfer	4060252	1.58
			29/01/2016	506000	Transfer	4566252	1.78
	4566252	1.78					
VALLABH ROOPCHAND BHANSHALI	2985700	1.16					
			No Change				
	2985700	1.16					