



Genus Power Infrastructures Ltd.

Results Watch

June Quarter, FY09 Results Update

CMP Rs. 311.70

- * Net sales up 19.93% for Q1FY09 at Rs. 100.18 crores.
- * Operating profit margin for Q1FY09 stood at 16.37% against 15.84% for the same period last year.
- * PAT up by 23.55% y-o-y at Rs. 8.55 crores during the quarter.

Rs. (In crores)

Financial Highlights

Particulars	Q1FY09	Q1FY08	% Chg	FY08	FY07	% Chg
Net Sales	100.18	83.53	19.93%	483.28	357.14	35.32%
Other Income	0.63	0.44	43.18%	2.20	1.51	45.70%
Total Income	102.77	86.75	18.47%	486.44	353.99	37.42%
Total Expenditure	85.74	73.08	17.32%	402.36	299.20	34.48%
Raw Materials Consumed	75.41	61.83	21.96%	364.47	238.35	52.91%
Employee Expenses	3.56	3.36	5.95%	12.67	10.53	20.32%
Power & Fuel	0.00	0.00	NA	0.00	0.00	NA
Selling & Administrative cost	0.00	0.00	NA	0.00	0.00	NA
Other Mfg. Expenditure	0.00	0.00	NA	0.00	0.00	NA
Other Expenditure	6.77	7.89	-14.20%	25.22	50.32	-49.88%
Operating Margins (%)	16.37%	15.84%		16.94%	14.92%	
PBIDTA	17.03	13.67	24.58%	84.08	54.79	53.46%
Interest	5.49	4.14	32.61%	19.38	16.70	16.05%
PBDT	11.54	9.53	21.09%	64.70	38.09	69.86%
Depreciation	1.38	1.24	11.29%	5.25	5.01	4.79%
PBT	10.16	8.29	22.56%	59.45	33.08	79.72%
Tax	1.61	1.37	17.52%	7.85	5.32	47.56%
PAT	8.55	6.92	23.55%	51.60	27.76	85.88%
Equity	14.79	10.85		14.09	10.85	
<i>Earnings Per Share (Rs.)*</i>	5.78	4.68	23.55%	34.89	18.77	85.88%

* Adjusted for change in equity

1. **OPM** for the quarter has gone up to 16.37% against 15.84% in the same quarter last year due to a drop in other expenses. **PATM** for the quarter stood at 8.53% against 8.28% for the corresponding period last year.
2. Genus has an **order book position** of Rs 645 crs. The Company has already participated in tenders worth more than Rs 8000 crs. Out of which the Company is already 'L-1' in tenders worth Rs 650 crs.

Outlook & Recommendation

Genus Power primarily deals in manufacturing and distribution of Electronic Energy Meters, Power Distribution Management Projects, Hybrid microcircuits, Inverters, Batteries, Home UPS and Online UPS across India as well as globally.

For over a decade "Genus" has been providing technically advanced Metering Products and Solutions through which Electricity Distribution Utilities have been able to control and reduce the Electricity theft and have also been able to improve the revenue recovery.

The stock is currently trading at 8.93X FY08 EPS of Rs. 34.89. Going forward Implementation of the APDRP scheme, under which the government needs to implement 100% tamper proof metering, is expected to result into higher demand for meters over the next couple of years.

We continue to be bullish about the prospects of the company and expect Genus's revenues and profits to grow at a rate of 40-50% in FY09, to end the current fiscal with revenues of Rs. 689.97 crs. and a net profit of Rs. 73.53 crs. Looking at the bright long term prospects of the business of the company, we retain a buy recommendation on the stock with a target price of Rs. 550 which is a discount of 11X FY09E EPS of Rs. 49.71.

For further details please refer to our report dt. 22nd March 2007.

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