

Genesis Poweronics India Private Limited

April 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	15.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable / CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Genesis Poweronics India Private Limited (GPIPL) to monitor the rating(s) vide e-mail communications dated January 09, 2025, to March 18, 2025, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on Genesis Poweronics India Private Limited bank facilities will now be denoted as CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

Users of this rating (including investors, lenders, and the public at large) are hence requested to exercise caution while using the above rating(s).

The last rating assigned to Anusha Projects Private Limited were tempered by small scale of operation, low net worth base albeit satisfactory leverage position, presence in highly competitive industry and working capital intensive business. The ratings, however, derived comfort from vast experience of the promoters, exclusive dealership to selling diesel generator engine of Ashok Leyland in four states of the country (AP, Telangana, Odisha, and Chhattisgarh), established clientele, and stable industry outlook.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CARE Ratings) believes that GPIPL will continue to benefit from the vast experience of the promoters and established presence in market.

Detailed description of key rating drivers:

At the time of last rating on March 28, 2024, the following were the rating strengths and weaknesses (updated for the information available from Annual Report)

Key weaknesses
Moderate scale of operations

The Total Operating Income (TOI) of the company has remained stagnant over the past few years, standing at Rs. 75.08 crore in FY24 compared to Rs. 61.37 crore in FY23. This stagnation can be attributed to lower industry demand and the non-availability of the engines used for manufacturing LHP generators. Profitability margins, marked by PBILDT margin, have marginally improved from 4.32% in FY23 to 4.80% in FY24.

Competitive nature of the industry

The DG set market in India is characterized by high competitiveness, attributed to low entry barriers and a lack of distinct product differentiators. Various OEMs, including Kirloskar, Ashok Leyland, Mahindra, and Cummins, operate in the domestic market, alongside several international players such as Caterpillar, Volvo, Perkins, and Chinese DG genset manufacturers. Ashok Leyland focuses on manufacturing engines within the range of 5KVA to 2500 KVA, making it relatively smaller in size compared to Cummins and Kirloskar, which offer engines with diversified ratings, extending up to around 25,000 KVA. This market landscape, characterized by intense competition and the moderate size of GPIPL, limits the scope for margin expansion in the operating spectrum.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Working capital intensive business

The operating cycle of the company elongated significantly to 102 days in FY24 from 62 days in FY23, primarily due to a significant increase in the inventory holding period. This was a result of the bulk purchase of engines by the company in the last quarter of FY23, following the guidelines issued by Ashok Leyland to cease the supply of old engines post June 2023, in line with the engine technology upgrade mandated by the Government of India. Additionally, the company procured key raw materials such as iron and steel used for manufacturing genset bodies, anticipating price volatility.

Regulatory framework for energy sector

Due to a notable rise in pollution levels in India, the government has implemented stringent regulations to control emissions from equipment and vehicles powered by diesel and other fossil fuels. In 2016, the country proposed the adoption of Bharat Stage VI (BS-VI) emission standards, which were enforced nationwide on April 1, 2020. These standards primarily target the reduction of vehicular pollution, particularly from diesel-powered vehicles. Additionally, they encompass emissions from diesel generators and other internal combustion engines, aiming to mitigate their environmental impact.

Key strengths

Established track record of operations, and experienced promoters

The company was established in 1998 by Mr. Venkata Chary Shivakoti to provide consultancy services. In 2006, the company diversified into manufacturing gensets using engines from Ashok Leyland. With the management's extensive experience of over 23 years in the genset manufacturing business, GPIPL has successfully expanded its geographical reach to include Hyderabad, Andhra Pradesh, Visakhapatnam, Bhubaneswar, Chhattisgarh, and Hubli. Furthermore, the company's promoters have been supported by a qualified and experienced staff. Ms. Anuradha oversees the operations of the manufacturing branch located in Hyderabad, while Mr. Damodar A. serves as the sales head for Odisha and Andhra Pradesh, managing the sales operations within the organization.

Moderate capital structure

The net worth base of GPIPL stood moderate at Rs. 16.92 crore as of March 31, 2024. However, the capital structure of the company improved and remained comfortable, with the overall gearing at 0.88x (PY: 1.19x), attributed to a decrease in the company's debt levels. Coverage indicators also remained satisfactory, with the interest coverage ratio at 1.63x in FY23.

Exclusive dealership with Ashok Leyland for supply of diesel engines

GPIPL has maintained a strong relationship with Ashok Leyland since 2002. The company holds an exclusive dealership for selling diesel generator engines of Ashok Leyland in four states of India viz. Andhra Pradesh, Telangana, Odisha, and Chhattisgarh. Additionally, GPIPL holds an OEM (Original Equipment Manufacturing) certificate from Ashok Leyland, enabling it to manufacture the outer body of diesel gensets and other products, and assemble generators with Ashok Leyland's engines. These products are marketed under the brand name "Genesis – Ashok Leyland." Moreover, Ashok Leyland has provided a letter of comfort regarding vendor financing facilities utilized by the company, further strengthening GPIPL's financial position.

Liquidity: Adequate

Liquidity of the company is moderate characterized by projected GCA of around Rs. 1.16 Cr in FY24 against the repayment obligation of Rs 1.7 crore. The average utilization of cash credit limit stood around 40% for the last 12 months ending February 2024. The current ratio stood at 1.28x as on March 31, 2024. Further, promoters of the company have been supporting the business operations with need based infusion on funds.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Compressors, Pumps & Diesel Engines

Genesis Poweronics India Private Limited (previously known as G.S. Power Consultants) has been promoted by Mr. Venkata Chary Shiwakoti in 1998 with the object of providing electrical consultant and manufacturing / trading of gensets, Further, in 2002 company entered manufacturing and sale of Diesel gensets. GPIL is an original equipment assembler (OEA) for gensets using Ashok Leyland engines in the region of Telangana, Andhra Pradesh, Odisha and Chhattisgarh, the products are sold under the brand name - "Genesis- Ashok Leyland".

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	75.59	61.37	75.08
PBILDT	2.67	2.65	3.60
PAT	1.64	0.85	0.86
Overall gearing (times)	2.35	1.19	0.88
Interest coverage (times)	1.04	1.59	1.63

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	6.50	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	NA	3.50	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ST-Vendor financing		-	-	-	15.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT/ST-Vendor financing	LT/ST	15.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (28-Mar-24)	-	-
2	Fund-based - LT-Cash Credit	LT	6.50	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (28-Mar-24)	-	-
3	Fund-based - LT-Term Loan	LT	3.50	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (28-Mar-24)	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-Vendor financing	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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Disclaimer:

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