



# GENUS PAPER & BOARDS LIMITED

**ANNUAL REPORT**  
**2013-14**

## CORPORATE INFORMATION

Board of Directors		Registered Office & Works
Mr. Ishwar Chand Agarwal	Non Executive Chairman	Genus Paper & Boards Limited
Mr. Kailash Chandra Agarwal	Managing Director & CEO	Village Aghwanpur, Kanth Road
Mr. Himanshu Agarwal	Whole Time Director	Moradabad-244001, Uttar Pradesh
Mr. Bhairon Singh Solanki	Independent Director	Tel : 0591-2511171 Fax : 0591-2511242
Mr. Rameshwar Pareek	Independent Director	Website : www.genuspaper.com
Mr. Udit Agarwal	Independent Director	
		Corporate Office
Mr. Rakesh Kumar Agarwal	Chief Financial officer	D-116, Okhla Industrial Area Phase-I, New Delhi-110020
Mr. Ankit Agarwal	Company Secretary	Tel : 011-47114800 Fax : 011-47114833
Statutory Auditors		Registrar and Transfer Agent
Pradeep Hari & Co., Chartered Accountants Moradabad ICAI FRN-006542C		Niche Technologies Pvt. Ltd D-511, Bagree Market, 71, B. R. B. Basu Road, Kolkata-700 001 Tel : 033 22357270/7271 Fax : 033 22156823 Email: nichetechpl@nichetechpl.com Website: www.nichetechpl.com
Bankers		
State Bank of India		
Punjab National Bank		
HDFC Bank		

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## NOTICE

**Notice** is hereby given that the 03<sup>RD</sup> Annual General Meeting of **GENUS PAPER & BOARDS LIMITED** will be held on **Tuesday, 30<sup>th</sup> September, 2014** at **10.30 am** at its Registered office at **Village Aghwanpur, Kanth Road, Moradabad-244001, Uttar Pradesh** to transact the following business: -

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements consisting of Balance Sheet as at 31st March, 2014, Statement of Profit and Loss, Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s Pradeep Hari & Co. (Firm Registration Number-006542C), Chartered Accountants, Moradabad (Proprietor-Mr. Pradeep Kapoor) the retiring Auditors who has furnished the eligibility certificate under Section 141 of the Companies Act, 2013 be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of ensuing 03rd Annual General Meeting till the conclusion of the 06th Annual General Meeting subject to ratification of appointment by the members at every Annual General Meeting to be held during the period and that the Board of Directors be and are hereby authorized to fix such remuneration with the Auditors as may be determined by the Audit Committee in consultation with the Auditors.”

### SPECIAL BUSINESS

#### 03 . RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FY 2014-15

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**: -

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. M. K. Singhal & Co., Cost Accountants, Modinagar who was appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of Rs.60,000/- plus out of pocket expenses incurred for traveling, lodging and other expenses in connection with conducting the cost audit as recommended by the audit committee, be and is hereby ratified and confirmed.

#### 04. APPOINTMENT OF MR. UDIT AGARWAL AS INDEPNEDNET DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**: -

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Udit Agarwal (holding DIN 02820615), who was appointed as non executive Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term w.e.f. 01st August, 2014 upto 31st July, 2019, not liable to retire by rotation.

#### 05. APPOINTMENT OF MR. BHAIRON SINGH SOLANKI AS INDEPNEDNET DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**: -

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Bhairon Singh Solanki (holding DIN 00012141) who was

appointed as non executive Director and whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term w.e.f. 01st August, 2014 upto 31st July, 2019, not liable to retire by rotation.

**06. APPOINTMENT OF MR. RAMESHWAR PAREEK AS INDEPNEDNET DIRECTOR**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**: -

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rameshwar Pareek (holding DIN 00014224), who was appointed as non executive Director and whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for 5 (Five) consecutive years for a term w.e.f. 01st August, 2014 upto 31st July, 2019, not liable to retire by rotation.

**07. POWER TO BORROW FUNDS IN EXCESS OF THE LIMITS PRESCRIBED U/S 180(1)(C ) OF THE COMPANIES ACT, 2013**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**: -

**“RESOLVED THAT** in supersession of the Special Resolution passed by shareholders in Extra-ordinary General Meeting of the Company held on 29th November, 2013 under Section 293(1)(d) of the Companies Act, 1956 (earlier in force), and pursuant to the provisions of Section 180(1)(c) and (2) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereto for the time being in force) and pursuant to the provisions of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of monies (in foreign currency or Indian rupee) from time to time for the purpose of the business of the Company on such terms and conditions and with or without security from any Bank, financial institution or any other lending institutions, firms, bodies corporate or persons, as may be considered suitable by the Board notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; provided that the total amount so borrowed by the Board of Directors shall not at any time exceed the limit of Rs. 300 (Rupees Three Hundred) Crore.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby severally authorised to negotiate and settle the terms and conditions with the concerned Bank(s) / Financial Institution(s) / Lender(s), finalize the applicable instruments/agreements, deeds or any other document for borrowing the monies for the purpose of business of the Company and to do and perform all such other acts, deeds and things including delegation all or any of its powers conferred on it by or under this resolution to any Committee of Directors or to any director(s) or any other official of the Company as may be deemed appropriate, necessary, proper, desirable or expedient by the Board to give effect to this resolution.

**08. POWER TO CREATE CHARGE/MORTGAGE/HYPOTHECATION ETC. OVER THE ASSETS AND UNDERTAKINGS OF THE COMPANY TO SECURE THE FUNDS BORROWED BY THE COMPANY/ITS SUBSIDIARY COMPANY/ITS JOINT VENTURE COMPANY**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**: -

**RESOLVED THAT** in supersession of the Special Resolution passed by shareholders in the Extra-ordinary General Meeting of the Company held on 29th November, 2013 under Section 293(1)(a) of the Companies Act, 1956 (earlier in force), and pursuant to provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications, amendment(s) or re-enactment(s) thereto for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgage, hypothecation, charge and/or other encumbrances on all or any of the movable or immovable properties or such other assets of the Company, wherever situated, both present and future, and on whole or part of the one or more undertakings of the Company of any nature and kind whatsoever and/or conferring power to enter upon and take possession of the assets of the Company in certain events in favour of any Banks and/or financial institutions and/or any lending institution and/or any person

(hereinafter referred as "Lenders") in consideration of and to secure the amount borrowed, to be borrowed by the Company / its any subsidiary company / its any joint venture company from such "Lenders" from time to time for the due repayment of the principal monies together with the interest thereon at the respective agreed rate(s) or any other charges in respect of such borrowings and such security to rank in such manner as may be agreed to between the concerned lender(s) and Board of Directors of the Company, but shall within the overall borrowing limits fixed for the time being in force pursuant to section 180(1)(c) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby severally authorised to and cause to prepare, finalize, approve and execute on behalf of the Company with the concerned Bank(s) / Financial Institution(s) / Lender(s), the documents, deeds, agreements, declarations, undertakings and writings as may be necessary and expedient for giving effect to the foregoing resolutions and also to delegation all or any of its powers conferred on it by or under this resolution to any Committee of Directors or to any director(s) or any other official of the Company.

#### 09. TRANSACTION WITH RELATED PARTY UNDER SECTION 188 OF THE COMPANIES ACT 2013

To consider and, if thought fit, to pass, with or without modification, the following resolution as **a SPECIAL RESOLUTION**: -

"**RESOLVED FURTHER THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement to be executed with the Stock Exchanges in due course (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1<sup>st</sup> April, 2014 upto the maximum per annum amounts as appended below:

Rs. in Lacs					
MAXIMUM VALUE OF CONTRACT /TRANASACTION (PER ANNUAM) WEF 1 <sup>ST</sup> APRIL 2014					
	Transactions defined u/s 188(1) of the Companies Act, 2013				Others
	Sale, Purchase or supply of any goods, materials	Selling or otherwise disposing off or buying property of any kind	Leasing of property of any kind	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, services or property	Sell/dispose off the Investment held in its Subsidiary Company
NAME OF RELATED PARTIES					
COMPANIES					
Genus Power Infrastructures Limited	On actual basis, Exempted being in the ordinary course of business and on arm's length basis	-	-	-	-
Genus Electrotech Limited		-	-	-	-
Genus Apparels Limited		-	-	-	-
Kailash Coal & Coke Co Limited		-	-	-	-
Virtuous Urja Limited		-	-	-	-
J C Textiles Pvt. Ltd		-	9.60	-	-
Genus Innovation Limited		-	-	-	-
SUBSIDIARIES / STEP-DOWN SUBSIDIARIES/JOINT VENTURE/ASSOCIATES					
Genus Prime Infra Limited (formerly Gulshan Chemfill Limited) (direct Subsidiary)	-	-	-	-	321.15
Virtuous Paper & Urja Limited (Associate)	On actual basis, Exempted being in the ordinary course of business and on arm's length basis	-	-	-	-
DIRECTORS/KMPs/RELATIVES OF DIRECTORS AND KMPs /OTHER					
	On actual basis, Exempted being in the	-	-	-	-

<b>FIRMS AND COMPANIES in which directors have some interest as per provisions of section 2(76) of the Companies Act, 2013</b>	ordinary course of business and on arm's length basis				
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**RESOLVED FURTHER THAT** the Board of Directors and /or any committee thereof be and is hereby authorised to do and perform all such acts, deeds or things as may be necessary or incidental thereto including to finalise any documents and writings thereto as in its absolute discretion deem proper and desirable to give effect to the this resolution .

#### 10. RE-APPOINTMENT OF SHRI KAILASH CHANDRA AGARWAL AS MANAGING DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following resolution as **a SPECIAL RESOLUTION**: -

**“RESOLVED THAT** in supersession of the earlier resolution passed by the shareholders at the extra-ordinary general meeting held on November 29, 2013 with respect to the appointment of Mr. Kailash Chandra Agarwal as Managing Director & CEO of the Company in terms of sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto (earlier in force) and pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the re-appointment of Shri. Kailash Chandra Agarwal (holding DIN No. 00895365) as Managing Director & CEO of the Company upon terms and conditions including remuneration as set out in the explanatory statement accompanying to the notice.

**RESOLVED FURTHER THAT** Mr. Kailash Chandra Agarwal shall be the Key Managerial Personnel of the Company w.e.f. 01st August, 2014 during his tenure as Managing Director of the Company in terms of Section 203 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as ‘board’) and/or any committee thereof be and is hereby authorized to vary and/or modify the terms and conditions of appointment and remuneration within the limits as prescribed in Schedule V of the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof, as may be agreed between the board and Mr. Kailash Chandra Agarwal.

**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, remuneration payable to Mr. Kailash Chandra Agarwal shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any modification(s) thereto.

**RESOLVED FURTHER THAT** any revision in the remuneration payable to Mr. Kailash Chandra Agarwal shall be within the overall limits as approved by the Members in terms of this resolution and as recommended by the Nomination and Remuneration Committee to the board for its approval, from time to time.

**RESOLVED FURTHER THAT** the board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution.”

#### 11. RE-APPOINTMENT OF SHRI HIMANSHU AGARWAL AS WHOLE TIME DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following resolution as **a SPECIAL RESOLUTION**: -

**“RESOLVED THAT** in supersession of the earlier resolution passed by the shareholders at the extra-ordinary general meeting held on November 29, 2013 with respect to the appointment of Mr. Himanshu Agarwal as Whole Time Director of the Company in terms of sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto (earlier in force) and pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of members of the Company be and is hereby accorded to the re-appointment of Shri Himanshu Agarwal (holding DIN No. 00065185) as Whole Time Director of the Company (designated as Executive Director) upon terms and conditions including remuneration as set out in the explanatory statement accompanying to the notice.

**RESOLVED FURTHER THAT** Mr. Himanshu Agarwal shall be subject to retirement by rotation during his tenure as whole time director.

**RESOLVED FURTHER THAT** Mr. Himanshu Agarwal shall be the Key Managerial Personnel of the Company w.e.f. 01st August, 2014 during his tenure as Whole Time Director of the Company in terms of Section 203 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'board') be and is hereby authorized to vary and/or modify the terms and conditions of appointment and remuneration within the limits as prescribed in Schedule V of the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof, as may be agreed between the board and Mr. Himanshu Agarwal.

**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, remuneration payable to Mr. Himanshu Agarwal shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any modification(s) thereto.

**RESOLVED FURTHER THAT** any revision in the remuneration payable to Mr. Himanshu Agarwal shall be within the overall limits as approved by the members in terms of this resolution and as recommended by the Nomination and Remuneration Committee to the board for its approval, from time to time.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution."

## 12. AMENDMENT IN THE ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as **a SPECIAL RESOLUTION**:-

**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and is hereby amended as follows:

A. The existing Articles 134 of the Articles of Association of the Company be amended as follow:

### **SPECIAL POSITION OF MANAGING DIRECTOR**

134. A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with these Articles if he ceases to hold the office of Director he shall *IPSO FACTO* and immediately cease to be Managing Director.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby severally authorised to take all necessary steps and to do all necessary things in order to comply with all the legal and procedural formalities and to do all such acts, deeds, or things as it may in its absolute discretion deem fit."

## NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto. Brief resume / details in respect of Directors proposed to be appointed/ re-appointed is annexed to this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** *A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, AT LEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.* A proxy form is annexed herewith.
3. Proxy shall not vote, except on a Poll.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 27 September 2014 to 30 September, 2014 (both days inclusive) for the AGM.
6. Member/Proxy, desirous of attending the Meeting, must bring the Attendance Slip (enclosed herewith) to the Meeting duly completed and signed, and hand over the same at the venue entrance. The attendance slip is sent with this Annual Report.
7. Members holding equity shares in dematerialized form are requested to bring their DP ID and Client ID for identification.
8. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members are requested to bring the copy of the Annual Report to the AGM. Electronic copy of the Annual Report for 2013-14 and the Notice of 03rd Annual General Meeting of the Company are being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 and the Notice of 03rd Annual General Meeting of the Company are being sent in the permitted mode.
10. Members may also note that the Notice of the 03rd Annual General Meeting and the Annual Report for 2013 – 14 will also be available on the Company's website [www.genuspaper.com](http://www.genuspaper.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [cs@genuspaper.com](mailto:cs@genuspaper.com).
11. The Notice is being sent to all Members, whose names appear on the Register of Members/List of Beneficial Owners as received from the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited as on Friday 22<sup>nd</sup> August, 2014.
12. Members holding shares in more than one folio are requested to write to the Company's R & T Agent, namely, Niche Technologies Private Limited, Kolkata for consolidation of holding in one folio. The shareholders shall also send the relevant share certificates for this purpose.
13. Members seeking any information with regard to the accounts and operations of the Company are requested to write to the Company at its Registered Office at least 10 days before the date of the meeting to enable the management to keep the information ready.
14. Members holding shares in physical form are advised to avail the nomination facility in respect of their shares by filing the prescribed form. Members holding shares in electronic form may contact their Depository Participant (DP) for recording their nomination.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Niche Technologies Private Limited, Kolkata.
16. All documents referred to in the Notice and the Explanatory Statement shall be available for inspection by the Members at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of AGM and shall be accessible to the person attending the meeting.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
18. In compliance with the SEBI circular, the Company has assigned all the work related to share registry in terms of both physical and electronic to :



**Niche Technologies Pvt. Ltd.**

D-511, Bagree Market, 71, B. R. B. Basu Road,

Kolkata-700 001

Telephone: 033 22357270/7271

Fax: 033 22156823

Email: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

Website: [www.nichetechpl.com](http://www.nichetechpl.com)

19. Kindly register your email address and contact details with us, by writing to us addressed to the Secretarial Department at our Registered Office, or at our e-mail ID: [cs@genuspaper.com](mailto:cs@genuspaper.com). This will help us in prompt sending of notices, annual reports and other shareholder communications in electronic form.
20. In view of the provisions of the new Companies Act, 2013, (Act) which prescribes that non-Independent Directors only will be reckoned for the purpose of the provisions relating to retirement by rotation under Section 152 of the Act. The Company has determined retiring director(s) (being non-Independent Directors only) and his/their eligibility for re-appointment under the above new provisions.

**Explanatory Statement**  
**(Pursuant to section 102 of the Companies Act, 2013)**

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**Item No 2**

This explanatory statement is provided though not required as per section 102 of the Act.

As the Members may be aware, the old Companies Act, 1956 is not now in force and the new Companies Act, 2013 (Act) has come into force (few provisions though yet to be notified) w.e.f. 01<sup>st</sup> April, 2014.

Member may kindly note that as per the provisions of section 139 of the Act which came into effect from 01st April, 2014, in case of an unlisted public company having paid up share capital Rs. 10 crore or more or listed company, the appointment of statutory auditors shall be for 5 consecutive years at a time and shall be subject to rotation after every two terms of 5 consecutive years each. On date the recorded paid up capital of the company is Rs. 25.71 crore. This section further provides that the period for which the individual or the firm has held office as auditor prior to the commencement of the Act shall be taken into account for calculating the period of five consecutive years or ten consecutive years, as the case may be.

M/s Pradeep Hari & Co., Statutory Auditors of the Company, will complete 2 years since their first appointment, at the conclusion of this 03<sup>rd</sup> Annual General Meeting and thus, he can be re-appointed only for remainder period, i.e. for 3 years ending with the conclusion of the 6<sup>th</sup> AGM.

In view of the above, the Board of Directors has, on the recommendation of the Audit Committee, at its meeting held on July 18, 2014, proposed the appointment of Pradeep Hari & Co., as the statutory auditors of the Company to hold office from the conclusion of this 03<sup>rd</sup> Annual General Meeting till the conclusion of the 06<sup>th</sup> Annual General Meeting (subject to ratification by the members at every Annual General Meeting to be held during the period).

The Board commends the Resolution at Item No. 2 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is concerned or interested in the Resolution at Item No. 2 of the accompanying Notice.

**Item No 3**

The Board, on the recommendation of the Audit Committee, has approved the re-appointment of M/s. M. K. Singhal & Co., Cost Accountants (Firm Registration No. 00074) as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31 March 2015 at a remuneration of Rs.60,000/- (Rupees Sixty Thousand only) plus reimbursement of out of pocket expenses in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2015.

None of the Directors and/or Key Managerial Personnel of the Company and /or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution as set out at item No. 3 for approval of members.

#### Item No 4, 5 & 6

Mr. Udit Agarwal (DIN: 02820615) and Mr. Bhairon Singh Solanki (DIN: 00012141) and Mr. Rameshwar Pareek (DIN: 00014224) are Independent Directors of the Company who are liable to retire by rotation as per old Companies Act, 1956.

As the Members would be aware, the new Companies Act, 2013 (Act) has come into force (few provisions though yet to be notified), replacing the old Companies Act, 1956.

Section 149 and Section 152 of the Act inter alia specifies that:

- (a) Independent Directors shall hold office for a term of upto five consecutive years, and shall be eligible for re-appointment for a further period of five years, subject to passing of special resolution by the Shareholders in General Meeting; and
- (b) An Independent Director shall not be liable to retire by rotation at the AGM.

The new provisions further provide that the Independent Directors shall give a confirmation of independence and meeting of the prescribed criteria, as mentioned in Section 149(6) of the Act.

The Directors approved re-constitution of the Board at its Meeting held on July 18, 2014.

It is proposed to appoint Mr. Udit Agarwal, Mr. Bhairon Singh Solanki and Mr. Rameshwar Pareek as Independent Directors under Section 149 of the Companies Act, 2013 and clause 49 of the listing agreement to hold office for 5 (five) consecutive years for a term up to July 31, 2019.

Mr. Udit Agarwal, Mr. Bhairon Singh Solanki and Mr. Rameshwar Pareek are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidatures of each of Mr. Udit Agarwal, Mr. Bhairon Singh Solanki and Mr. Rameshwar Pareek for the office of Directors of the Company.

The Company has also received declarations from Mr. Udit Agarwal, Mr. Bhairon Singh Solanki and Mr. Rameshwar Pareek that they meet with the criteria of independence as prescribed both under sub-Section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Udit Agarwal, Mr. Bhairon Singh Solanki and Mr. Rameshwar Pareek fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Udit Agarwal, Mr. Bhairon Singh Solanki and Mr. Rameshwar Pareek are independent of the management.

A brief profile and other details of the proposed Independent Directors is are provided as an annexure to the Notice convening the Annual General Meeting.

Copy of the draft letters for respective appointments of Mr. Udit Agarwal, Mr. Bhairon Singh Solanki and Mr. Rameshwar Pareek as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Mr. Udit Agarwal, Mr. Bhairon Singh Solanki and Mr. Rameshwar Pareek are interested in the resolutions set out respectively at Item Nos. 4 to 6 of the Notice with regard to their respective appointments and to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Director(s). Accordingly The Board commends the Ordinary Resolutions set out at Item Nos 4 to 6 of the Notice for approval by the shareholders.

## Item No 7 & 8

At the Extra-ordinary General Meeting of the Company held on November 29, 2013, the Members had, by way of passing Special Resolution, authorized the Board of Directors:

- (i) To borrow monies upto Rs. 300 crore under section 293(1)(d) of the Old Companies Act, 1956; and
- (ii) To secure the same by creating a mortgage or charge or hypothecation on all or any of movable and/or immovable properties and assets of the company, regarded as disposal of the company's undertakings under section 293(1) (a) of the Old Companies Act, 1956;

It may be kindly noted that New Companies Act, 2013 have been enacted and come into force partially w.e.f. 12th September, 2013 and almost fully w.e.f. 1<sup>st</sup> April, 2014.

The corresponding Section 180(1) (a) of the New Companies Act, 2013 provides that the Board of Directors of a Company shall exercise the power to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) over and above the paid up capital of the Company and its free reserves from time to time on behalf of the Company only with the consent of the Company by a special resolution.

The corresponding Section 180(1)(c) of New Companies Act, 2013 contemplates that sale lease or otherwise dispose of whole or substantially the whole of the undertaking of the Company can be done after obtaining approval of shareholder in the general Meeting by way of Special resolution. As a legal precaution the corporate sector is of the view that mortgage/ hypothecation of property of the Company including movable/immovable property of the Company for the financial assistance taken or to be taken from the bank /Financial Institution etc. for the purpose of business of the Company with the lender may amount to disposal of undertaking in terms of aforesaid Section.

Therefore having regard to extension of the mortgage and hypothecation of the assets and properties of the company for the monies borrowed or to be borrowed by the company, it is necessary to confer upon the board the power to do so. Therefore an enabling resolution being proposed at item No.8 to be passed as special resolution .It is pertinent to mention here that this resolution is not intended to be passed for the purpose of sale of any of the undertaking but for the purpose of mortgage and hypothecation the property of the Company.

Your company has already passed the special resolution under the Old Act. It may be further noted that section 6 of the General Clauses Act, 2013 protects the validity of the resolutions passed under the Old Act.

However, Ministry of Corporate Affairs vide its General Circular No. 32/2014 dated 23rd July, 2014 has clarified that resolutions passed or approved by the Companies under relevant applicable provisions of the erstwhile Companies Act, 1956 during the period from 01st September, 2013 to 31st March, 2014 shall have the transitional validity up to expiry of one year from the passing of such resolutions or six months from the commencement of the corresponding provisions in the Companies Act 2013, whichever is later.

Hence, in order to compliant with the relevant provisions under the Companies Act, 2013, the fresh approval of the Members for the borrowings over and above paid up share capital and free reserves and creation of a mortgage or charge for the said borrowings is, therefore, now being sought, by way of Special Resolutions, pursuant to Section 180(1)(c) and (a) of the Act, respectively.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 & 8 of the Notice.

None of the other Company is interested in the said Special Resolution.

The Board commends the Special Resolution set out at Item No.7 & 8 of the Notice for approval by the Shareholders.

## Item No 9

### Transaction with Related Party under Section 188 of the Companies Act 2013

The provisions of Section 188(1) of the 2013 Act that govern the following Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in case the paid-up share capital of a company is Rs. 10 crores or more, the prior approval of shareholders by way of a Special Resolution:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company

The provisions of section 188(3) provide that any contract or arrangement entered into u/s 188(1) may be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into. Proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

In the light of provisions of the 2013 Act, the Board of Directors of your Company has approved the transactions along with limits that your Company may enter into with its Related Parties (as defined under the 2013 Act) for the financial year 2014-15 and beyond.

All prescribed disclosures as required to be given under the provisions of the 2013 Act and the Companies (Meetings of Board and its Powers) Rules, 2014 are given here in below in a tabular format for kind perusal of the members.

PARTICULARS OF TRANSACTION ENTERED OR PROPOSED TO BE ENTERED FOR APPROVAL U/S 188 OF THE COMPANIES ACT, 2013 MAXIMUM VALUE OF CONTRACT /TRANASACTION (PER ANNUM) WEF 1 <sup>ST</sup> APRIL 2014						Rs. in Lacs
	Transactions defined u/s 188(1) of the Companies Act, 2013				Others	
	Sale, Purchase or supply of any goods, materials	Selling or otherwise disposing off or buying property of any kind	Leasing of property of any kind	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, services or property	Sell/dispose off the Investment held in its Subsidiary Company	
<b>NAME and NATURE OF RELATIONSHIP WITH RELATED PARTIES :-</b>						
<b>COMPANIES :-</b>						
<b>GENUS POWER INFRASTRUCTURES LIMITED –</b> Promoter Company (shareholding interest of promoters, directors and KMPs u/s 102 of the Companies Act, 2013 :50.49% )	On actual basis, Exempted being in the ordinary course of business and on arm's length basis	-	-	-	-	
<b>GENUS ELECTROTECH LIMITED –</b> Promoter Company (shareholding interest of promoters, directors and KMPs u/s 102 of the Companies Act, 2013 :100%)		-	-	-	-	
<b>GENUS APPARELS LIMITED –</b> Promoter Company (shareholding interest of promoters, directors and KMPs u/s 102 of the Companies Act, 2013 :100%)		-	-	-	-	
<b>KAILASH COAL &amp; COKE CO LIMITED –</b>		-	-	-	-	

Promoter Company (shareholding interest of promoters, directors and KMPs u/s 102 of the Companies Act, 2013 :100%)					
<b>VIRTUOUS URJA LIMITED –</b> Promoter Company (shareholding interest of promoters, directors and KMPs u/s 102 of the Companies Act, 2013 :100%)		-	-	-	-
<b>J C TEXTILES PVT. LTD –</b> Promoter Company (shareholding interest of promoters, directors and KMPs u/s 102 of the Companies Act, 2013 :100%)		-	9.60	-	-
<b>GENUS INNOVATION LIMITED –</b> Promoter Company (shareholding interest of promoters, directors and KMPs u/s 102 of the Companies Act, 2013 :100%)		-	-	-	-
<b>SUBSIDIARIES / STEP-DOWN SUBSIDIARIES/JOINT VENTURE/ASSOCIATES</b>					
<b>GENUS PRIME INFRA LIMITED</b> (formerly Gulshan Chemfill Limited) (Subsidiary)	-	-	-	-	321.15
<b>VIRTUOUS PAPER &amp; URJA LIMITED</b> (Associate)	On actual basis, Exempted being in the ordinary course of business and on arm's length basis	-	-	-	-
<b>DIRECTORS/KMPs/RELATIVES OF DIRECTORS AND KMPs /OTHER FIRMS AND COMPANIES in which directors have some interest as per provisions of section 2(76) of the Companies Act, 2013</b>	On actual basis, Exempted being in the ordinary course of business and on arm's length basis	-	-	-	-

1. Name of the related party and nature of relationship: As provided in table above.
2. Name of the director or key managerial personnel who is related, if any;
 

Mr. Ishwar Chand Agarwal, Mr. Kailash Chandra Agarwal, and Mr. Himanshu Agarwal, Directors/KMPs and Promoters of the Company and their relatives are deemed to be interested in above resolution.
3. Nature, duration of the contract and particulars of the contract or arrangement:
  - i. The Company has entered into an arrangement with J C Textiles Pvt. Ltd taking a space for corporate office at D-116, Okhla Industrial Area, Phase-I, New Delhi-110020.
  - ii. The Company has entered into a Share Purchase Agreement dated 01<sup>st</sup> July, 2014 with i)- Mr. Jitendra Kumar Agarwal ii)- Mr. Rajendra Kumar Agarwal and iii)- Mr. Amit Agarwal (the Acquirers), to dispose off /sell its 8028826 equity shares of Rs.2/- each fully paid up (57.05 % of the paid up capital) held by it in Genus Prime Infra Limited (formerly Gulshan Chemfill Limited), a subsidiary of the Company at a price of Rs. 4 per share for a total consideration of Rs. 3,21,15,304/- and shall be subject to compliance with the provisions of SEBI (Substantial Acquisitions of Shares and Takeover) Regulations, 2011. The Board of Directors of the Company, at its Meeting held on 23.6.2014, has approved such transaction.
4. Material terms of the Contract or arrangement including the value, if any : As referred in point (3) above.

5. Any advance paid or received for the contract or arrangement, if any : NIL
6. Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract: All proposed transactions would be carried out as part of the business requirements of the Company and would be at arm's length basis.
7. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors: All factors have been considered.
8. Any other information relevant or important for the Board to take a decision on the proposed transaction: Nil.

As per second proviso to section 188 (1) of the Companies Act 2013, if any member is a related party in any contract or arrangement, then that party shall not vote in the special resolution, wherein such contract or arrangement is considered for approval. Therefore, no member of the company shall vote on above resolution, if such member is related party.

Except above, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the said Resolution.

The Board commends the Special Resolution set out at Item No.9 of the Notice for approval by the Shareholders.

#### Item No 10

At the Extra-ordinary general meeting of the Company held on November 29, 2013, the Members had, by passing special resolution, approved the appointment and remuneration of Shri Kailash Chandra Agarwal, as Managing Director and CEO of the Company for a period of 3 years w.e.f. November 29, 2013, pursuant to Sections 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 (the Old Act).

A majority of the provisions of the Companies Act, 1956 (the Old Act) including the abovementioned provisions, have been repealed by the Companies Act, 2013 (the New Act) with effect from 01<sup>st</sup> April 2014. It may be noted that section 6 of the General Clauses Act, 2013 protects the validity of the resolutions passed under the Old Act.

However, Ministry of Corporate Affairs vide its General Circular No. 32/2014 dated 23<sup>rd</sup> July, 2014 has clarified that resolutions passed or approved by the Companies under relevant applicable provisions of the Old Act during the period from 01<sup>st</sup> September, 2013 to 31<sup>st</sup> March, 2014 shall have the transitional validity up to expiry of one year from the passing of such resolutions or six months from the commencement of the corresponding provisions in the Companies Act 2013, whichever is later. It is also clarified that any amendment of the resolution shall be in accordance with relevant provisions of the Companies Act, 2013.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Boards of Directors has, on the recommendation of the Remuneration Committee, approved the appointment of Shri Kailash Chandra Agarwal as the Managing Director & CEO for a period of 3 years with effect from August 01, 2014, subject to the approval of members of the Company. The earlier tenure of Managing Director stands determined with mutual consent.

Brief particulars of Mr. Kailash Chandra Agarwal are provided as an annexure to the Notice convening the Annual General Meeting.

The main terms of appointment of Shri Kailash Chandra Agarwal as the Managing Director and the remuneration structure are given below:

- i)- **Tenure of the office:** For a period of 3 (Three) years effective from August 01, 2014.
- ii)- **Basic Salary :** Rs. 5,00,000/- (Rupees Five Lac only) per month with authority to the Board of Directors (which expression shall include a Committee thereof) to raise salary by giving annual increments on 1<sup>st</sup> April every year, subject however to a ceiling of Rs. 8,00,000/- (Rupees Eight Lac only) per month and subject to the financial performance of the company and other factors as prescribed.
- iii)- **Perquisites & Allowances:** Perquisites & Allowances, if any, shall be as per company policy and rules.  
**Explanation:** Perquisites, if any shall be evaluated as per income tax rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.
- iv)- **Company's Contribution to Provident Fund /Superannuation fund / Annuity Fund:** Rs. 60,000/- (Rupees Sixty Thousand only) per month or such other amount as fixed as per policy of the Company; The Company shall contribute to the Provident fund /Superannuation fund/Annuity fund in accordance with the rules and regulation of the Company.

- v)- **Minimum Remuneration:** In the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Mr. Kailash Chandra Agarwal shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any modification(s) thereto.
- vi). He shall devote such time and attention to the business of the Company as may be necessary and be responsible for the general conduct and management of the business and affairs of the Company, subject to the superintendence, control and supervision of the Board and shall have such powers and carry out such duties and responsibilities as may be entrusted by the Board time to time.
- vii). He shall not be liable to retire by rotation during his tenure as Managing Director of the Company in terms of the provisions of Articles of Association of the Company.

Accordingly, in order to comply with the applicable provisions of the Companies Act, 2013, a fresh approval of the Members is sought by way of a Special Resolution for the appointment of Shri Kailash Chandra Agarwal as Managing Director & CEO, for a period of three years commencing from 1st August, 2014 as set out in the Resolution at Item No. 10 of the Notice.

The Board recommends the Special Resolution set out at item no. 10 of the accompanying Notice for the approval of the Members. The re-appointment of Mr. Kailash Chandra Agarwal is appropriate and in the best interest of the Company.

Further pursuant to enabling provisions of Section 203 of the Companies Act, 2013, members may also note that Mr. Kailash Chandra Agarwal is acting as the Managing Director of one more group Company viz. Virtuous Urja Limited w.e.f. 01.6.2013.

Except Mr. Kailash Chandra Agarwal being appointee and Shri Ishwar Chand Agarwal being relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10, except to the extent of their shareholding in the Company if any.

#### Item No 11

At the Extra-ordinary general meeting of the Company held on November 29, 2013, the Members had, by passing special resolution, approved the appointment and remuneration of Shri Himanshu Agarwal, as Whole Time Director of the Company for a period of 3 years w.e.f. November 29, 2013, pursuant to Sections 198, 269, 309 and 310 read with Schedule XIII of the erstwhile Companies Act, 1956. He is not liable to retire by rotation in accordance with the provisions of Article of Association of the Company.

A majority of the provisions of the erstwhile Companies Act, 1956 including the abovementioned provisions, have been repealed by the Companies Act, 2013 with effect from 01<sup>st</sup> April 2014. It may be noted that section 6 of the General Clauses Act, 2013 protects the validity of the resolutions passed under the Old Act.

As per the provisions of section 152 of the Companies Act, 2013, every company shall have at least 2/3<sup>rd</sup> rotational directors of the total no. of directors of the company for the time being in force. However, this section further provides that Independent Directors shall not be liable to retire by rotation and shall not be included in total no. of director for this purpose.

At present, your company have total 6 directors out of which 3 are independent directors who shall not be liable to retire by rotation in terms of section 152 of the New Companies Act, 2013 and out of the remaining 3 directors, 1 is managing director and 1 is whole time director who are not liable to retire by rotation in terms of Article of Association of Company and 1 is non-executive chairman who is liable to retire by rotation. Thus, your company has 1 rotational director, while it is required in terms of the provisions of Section 152 of the New Companies Act, 2013 to appoint at least 2 such directors who shall retire by rotation at annual general meeting.

The Boards of Directors has decided that it would be desirable to amend the terms and conditions of the appointment of Mr. Himanshu Agarwal that he shall be liable to retire by rotation during his tenure as whole time director.

The Ministry of Corporate Affairs vide its General Circular No. 32/2014 dated 23<sup>rd</sup> July, 2014 has clarified that resolutions passed or approved by the Companies under relevant applicable provisions of the erstwhile Companies Act 1956 during the period from 01<sup>st</sup> September, 2013 to 31<sup>st</sup> March, 2014 shall have the transitional validity up to expiry of one year from the passing of such resolutions or six months from the commencement of the corresponding provisions in the Companies Act 2013, whichever is later. It is also clarified that any amendment of the resolution shall be in accordance with relevant provisions of the Companies Act, 2013.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Boards of Directors has, on the recommendation of the Remuneration Committee, approved the appointment of Mr. Himanshu Agarwal as Whole



Time Director (designated as Executive Director) for a period of 3 years with effect from August 01, 2014, subject to the approval of members of the Company. The earlier tenure of Whole Time Director stands determined with mutual consent.

Brief particulars of Mr. Himanshu Agarwal are provided as an annexure to the Notice convening the Annual General Meeting.

The main terms of appointment and the remuneration of Shri Himanshu Agarwal as Whole Time Director are given below:

- i)- **Tenure of the office:** For a period of 3 (Three) years effective from August 01, 2014.
- ii)- **Basic Salary :** Rs. 5,00,000/- (Rupees Five Lac only) per month with authority to the Board of Directors (which expression shall include a Committee thereof) to raise salary by giving annual increments on 1<sup>st</sup> April every year, subject however to a ceiling of Rs. 8,00,000/- (Rupees Eight Lac only) per month and subject to the financial performance of the company and other factors as prescribed.
- iii)- **Perquisites & Allowances:** Perquisites & Allowances, if any, shall be as per company policy and rules.  
**Explanation:** Perquisites, if any shall be evaluated as per income tax rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.
- iv)- **Company's Contribution to Provident Fund /Superannuation fund / Annuity Fund:** Rs. 60,000/- (Rupees Sixty Thousand only) per month or such other amount as fixed as per policy of the Company; The Company shall contribute to the Provident fund /Superannuation fund/Annuity fund in accordance with the rules and regulations of the Company.
- v)- **Minimum Remuneration:** In the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Mr. Himanshu Agarwal shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any modification(s) thereto.
- vi). He shall devote such time and attention to the business of the Company as may be necessary and be responsible for the general conduct and management of the business and affairs of the Company, subject to the superintendence, control and supervision of the Board and shall have such powers and carry out such duties and responsibilities as may be entrusted by the Board time to time.

The period of office of Mr. Himanshu Agarwal shall be liable to determination by retirement of directors by rotation. If Mr. Himanshu Agarwal is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director designated as Executive Director and such re-appointment as director shall not be deemed to constitute break in his appointment as a Whole-time Director designated as Executive Director.

Accordingly, in order to comply with the applicable provisions of the Companies Act, 2013, a fresh approval of the Members is sought by way of a Special Resolution for the appointment of Shri Himanshu Agarwal as Whole Time Director, for a period of three years commencing from 1<sup>st</sup> August, 2014 as set out in the Resolution at Item No. 11 of the Notice.

The Board recommends the Special Resolution set out at item no. 11 of the accompanying Notice for the approval of the Members. The re-appointment of Mr. Himanshu Agarwal is appropriate and in the best interest of the Company.

Except Mr. Himanshu Agarwal being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11 except to the extent of their shareholdings in the Company, if any.

#### Item No 12

As per section 152 of the Companies Act, 2013 notified with effect from 01st April, 2014, every public company shall have such directors, not less than two-thirds of the total number of directors, whose period of office is liable to determination by retirement of directors by rotation (the Rotational Director). This section further provides that for this purpose, total number of directors" shall not include independent directors, on the Board of a company and shall not liable to retire by rotation.

The Board of Directors of the Company presently comprised 6 directors out of which two are executive directors not liable to retire by rotation, three are independent directors not liable to retire by rotation pursuant to new provisions and one non executive chairman liable to retire by rotation. In the present composition of board of directors, there is one rotational director, while the company is required to have two rotational directors in terms of the new provisions.

The Board of Directors at their meeting held on 23rd July, 2014 decided that that it would be desirable to amend the terms and conditions of appointment of Mr. Himanshu Agarwal, Executive Director that he shall retire by rotation during his tenure.

However the Article 134 of the Articles of Association of the Company provides that a whole time director shall not retire by rotation during his tenure, it is desirable to amend the Articles 134.

The Board recommends the Special Resolution set out at item no. 12 of the accompanying Notice for the approval of the Members.

None of the Directors or Key Managerial personnel or their relatives are concerned or interested, financial or otherwise in the said resolution.

**Registered Office :-**

Vill. Aghwanpur, Kanth Road

Moradabad-244001

**CIN** : U21098UP2012PLC048300

**Place : Moradabad**

**Dated : 23<sup>rd</sup> July, 2014**

For and on behalf of Board of Directors

For **Genus Paper & Boards Limited**

**Kailash Chandra Agarwal**

**Managing Director**

**DIN-00895365**

**A BRIEF PROFILE AND OTHER DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT**

	1	2
<b>Name of the Directors</b>	<b>Mr. Kailash Chandra Agarwal</b>	<b>Mr. Himanshu Agarwal</b>
Director Identification number	00895365	00065185
Date of Joining the Board	11.01.2012	11.01.2012
Category	Executive Promoter Director	Executive Promoter Director
Profile of Director	<p>Mr. Kailash Chandra Agarwal, aged 43 years, graduated with a Bachelor of Science degree, has rich experience of around two decades in the business of power infrastructure, electronics, paper products, iron ingots, coal, coke, sugar, cement and apparels. He has vast experience and proficiency in strategic and organizational planning, global tax structure, risk management, creating long-term sustainable shareholder value through proactive investor relation, budgeting, corporate finance and accounting. He has a proven track record of maximizing business opportunities and consistently achieving corporate financial performance goals. Looking his calibre and proficiency in the company's affairs, he was promoted as Managing Director and Chief Executive Officer (CEO) of the Company and entrusted with responsibilities of day-to-day operations, production activities, material management, personnel management, financial management and implementation of Company's plans and all other general management functions of the Company. He is also responsible for formulation of corporate strategy, planning and policies to ensure smooth functioning and sustainable growth of the Company.</p>	<p>Mr. Himanshu Agarwal, aged 33 years, is Bachelor in Commerce. He started his carrier by joining Genus Paper Products Limited in the year 2004 and has been involved in family business for over 12 years. Over the years, He has gained extensive experience in the Paper Industry Sector, and has developed understanding of risk management, efficient processes and operational excellence. Looking his managerial skills and experience in the company's affairs, he was appointed as executive director and entrusted with overall charge of factory operations of the Company</p>
No of Shares held in the Company (31.03.2014)	13298366	2301846
Directorship (Indian Private/ Public Companies) in other companies	<p>Genus Power Infrastructures Limited Genus Apparels Limited Kailash Coal And Coke Company Limited J C Textiles Private Limited Virtuous Urja Limited Maple Natural Resources Pte. Ltd. Pt. Maple Natural Resources Gulf Guar Gum Company LLC SFZ Maple Natural Resources DWC –LLC</p>	Virtuous Paper & Urja Limited
Committee Memberships/chairmanships in other companies	NIL	NIL

	3	4	5
<b>Name of the Directors</b>	<b>Mr. Rameshwar Pareek</b>	<b>Mr. Bhairon Singh Solanki</b>	<b>Mr. Udit Agarwal</b>
Director Identification number	00014224	00012141	02820615
Date of Joining the Board	29.10.2013	29.10.2013	29.10.2013
Category	Independent, Non Executive	Independent, Non Executive	Independent, Non Executive
Profile of Director	<p>Mr. Rameshwar Pareek, aged 69 years, holds a Master's degree in Economics. He has extensive experience of more than 37 years in implementation of Government policies and their governance. He has worked as Senior Executive of Rajasthan Financial Corporation, Jaipur and also served on deputation to Bureau of Industrial Promotion (BIP), Jaipur. He has vast industrial exposure and in-depth knowledge of trade policies and their implications. He has also considerable experience and immense knowledge in varied fields like finance, accounting, auditing, corporate affairs and allied legal and taxation matters.</p>	<p>Wg. Cdr. (Retd.) B. S. Solanki is a technocrat. He did his B.E. (Hons.) from BITS and M.Sc. (Engg.) from Cranfield Institute of Technology, Cranfield, Bedfordshire, England (Now Cranfield University). He has extensively travelled to UK, USA, France, Sweden, Yugoslavia, Russia and Italy, giving him an opportunity to visit the most renowned energy T&amp;D units in the world and interact with world's leading enterprises for technology transfer/collaboration. He had worked in Indian Air Force from 1952 to 1970. During this period he worked in different fields from teaching to development. He developed the first ever Early Warning Radar Set while working at No.9 BRD, AF Pune. The President of India awarded him Vishist Sewa Medal (VSM) for this contribution in 1972. He has worked as Chief Designer and GM of Hindustan Aeronautics Ltd. (HAL) and MD of Rajasthan Communications Ltd. (RCL).</p>	<p>Mr. Udit Agarwal, aged 41 years, holds Bachelor of Commerce (Hons.) degree. He belongs to a reputed business house 'Saran Group' and has over one and a half decade experience in the development and exports of handicraft items. He is a young and energetic businessman with strong ability to provide insightful analysis and recommendations.</p>
No of Shares held in the Company (31.03.2014)	Nil	10,000	Nil
Directorship (Indian Private/ Public Companies) in other companies	<p>Genus Power Infrastructures Limited            Mayur Uniquoters Limited            Kailash Vidyut &amp; Ispat Limited            Genus Electrotech Limited            K G Petro Chem Ltd            Genus Prime Infra Limited            Virtuous Infra Limited            Virtuous Urja Limited            Star Vanijya Private Limited</p>	<p>Genus Power Infrastructures Limited</p>	<p>Genus Power Infrastructures Limited            Virtuous Urja Limited</p>

<p>Committee memberships/chairmanships in other companies*</p>	<p>Genus Power Infrastructures Limited</p> <ul style="list-style-type: none"> <li>• Audit Committee – Chairman</li> <li>• Shareholders' Grievance Committee- Member</li> </ul> <p>Mayur Uniquoters Limited</p> <ul style="list-style-type: none"> <li>• Audit Committee – Chairman</li> <li>• Shareholders' Grievance Committee-Chairman</li> </ul> <p>K G Petro Chem Ltd</p> <ul style="list-style-type: none"> <li>• Audit Committee – Member</li> </ul> <p>Virtuous Urja Limited</p> <ul style="list-style-type: none"> <li>• Audit Committee – Chairman</li> </ul>	<p>Genus Power Infrastructures Limited</p> <ul style="list-style-type: none"> <li>• Audit Committee – Member</li> <li>• Shareholders' Grievance Committee-Member</li> </ul>	<p>Virtuous Urja Limited</p> <ul style="list-style-type: none"> <li>• Audit Committee –Member</li> </ul>
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*For the purpose of considering the Committee Memberships and chairmanships for a Director, the Audit Committee, and the Shareholders' Grievance Committee of public limited Companies alone have been considered.*

**Registered Office :-**

Vill. Aghwanpur, Kanth Road  
Moradabad-244001  
**CIN** : U21098UP2012PLC048300

**Place : Moradabad**

**Dated : 23<sup>rd</sup> July, 2014**

For and on behalf of Board of Directors  
For **Genus Paper & Boards Limited**

**Kailash Chandra Agarwal**  
Managing Director  
DIN-00895365

## REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

Your Directors have pleasure in presenting the 3<sup>RD</sup> Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

### FINANCIAL RESULTS

The summary of financial results of your Company for the financial year 2013-14 and 2012-13 is given below:

Particulars	Amount (In Lacs)	
	Current Year	Previous Year
	31.03.2014	31.03.2013
<b>Net Sales / Revenue from Operations</b>	24746.11	0.00
Other Income	665.16	0.00
Finance Cost	568.07	0.00
Depreciation	724.81	0.00
<b>Profit Before Tax</b>	1316.28	0.00
<b>Provision for Taxation</b>		
-Current Tax	320.67	0.00
-Deferred Tax	(33.95)	0.00
<b>Net Profit /(Loss) for the Year</b>	<b>1029.55</b>	<b>0.00</b>
<b>Earnings Per Share (FV Re. 1/- each)</b>		
-Basic (In Rs.)	0.40	0.00
-Diluted (In Rs.)	0.40	0.00

The operations of the Company for the year 2013-14 pertain to the transferred Paper Business of Genus Power infrastructures Ltd. (GPIL) to the Company pursuant to Scheme of Arrangement as approved by Hon'ble High Court of Allahabad vide its order dated October 29, 2013.

The production of kraft paper and steel ingot during the year under review is 80,016.69 tonnes and 12,989.21 tonnes respectively. The Company posted Gross Sales of Kraft Paper Rs. 22,121.45 Lacs and that of Steel Ingot Rs.4,424.00 Lacs during the year under review.

For the financial year 2013-14, the operating profit (EBIDTA) is of Rs. 1,948.44 lacs and the net profit after tax stands at Rs.1,029.55 Lacs.

### DIVIDEND

To consolidate the future position of the Company and support the fund requirements to stimulate growth, your Board of Directors regret their inability to recommend any dividend for the year.

### HIGH COURT'S APPROVAL TO THE SCHEME OF ARRANGEMENT

A Scheme of Arrangement among Genus Paper Products Limited, Genus Power Infrastructures Limited and your company and their respective Shareholders and Creditors was filed before the High Court of Allahabad for its approval and the said Scheme has been approved by the Hon'ble High Court of Allahabad on October 29, 2013. The said Scheme is operative from the Appointed Date i.e., April 01, 2011. However it came into effect from the date of filing of High Court's order with the Registrar of Companies, Kanpur, which was November 29, 2013.

Pursuant to said Scheme, the 'Non Power Infrastructure Undertaking/Business' of Genus Power Infrastructures Limited on a going concern basis, including the business activity of manufacturing and trading of all kinds and classes of papers and boards and also steel business stand transferred and vested into your company with retroactive effect from April 1, 2011. Upon the coming into effect the

Scheme and in consideration for the de-merger, pursuant to clause 12.1 of the said Scheme, your company has allotted 25,66,25,940 new equity shares on January 17, 2014 to the shareholders of Genus Power Infrastructures Limited (GPIL) in the ration of 1 new equity shares of Re. 1 each for every 1 equity share of Re 1/- each of GPIL who were holding shares as on the record date i.e. January 11, 2014.

The said new equity shares issued in terms of Clause 12.1 by your company shall, subject to completion of applicable procedures, be listed on the stock exchanges where GPIL is currently listed and shall remain frozen in the depositories system till listing/trading permission is given by the BSE Limited and the National Stock Exchange of India Limited as per clause 12.3 and clause 12.9 of the said scheme.

Your company has filed an application to the BSE limited and National Stock Exchange of India Limited for approval of listing of 25,71,25,940 equity shares of face value of Re 1/- each fully paid up and for granting relaxation from applicability under Rule 19(2) (b) the Securities Contract (Regulation) Rules, 1957.

## **SHARE CAPITAL**

The initial authorized share capital of Rs.10,00,000/- comprising of 10,00,000 Equity Shares of Re.1/- each was increased to Rs.26,00,00,000/- divided into 26,00,00,000 Equity Shares of Re.1/- each vide ordinary resolution passed at the extra ordinary general meeting held on October 29, 2013.

Pursuant to clause 12.1 of the Scheme of Arrangement as approved by the Hon'ble High Court of Allahabad on October 29, 2013, your company has issued and allotted 25,66,25,940 new equity shares on January 17, 2014 to the shareholders of Genus Power Infrastructures Limited (GPIL) who were holding shares as on the record date i.e. January 11, 2014, in the ration of 1 new equity shares of Re. 1 each for every 1 equity share of Re 1/- each of GPIL. The present issued, subscribed and paid up share capital is Rs. 25,71,25,940/- comprising of 25,71,25,940 Equity Shares of Re. 1/- each.

## **HOLDING COMPANY**

Prior to the Scheme becoming effective, the Company was a wholly owned subsidiary of Genus Power Infrastructures Limited (GPIL). Pursuant to the Scheme becoming effective, the Company has allotted equity shares to the shareholders of GPIL on the Record Date and ceased to be subsidiary of GPIL.

## **FIXED DEPOSITS**

The Company has not accepted any deposits from the public during the year under review. There are no outstanding deposits remaining unpaid / unclaimed as on March 31, 2014.

## **SUBSIDIARY COMPANY**

Pursuant to the Scheme, your company has one subsidiary namely Genus Prime Infra Limited (formerly Gulshan Chemfill Limited) and three fellow subsidiaries namely Sunima Trading Pvt. Ltd, Sansar Infrastructures Pvt. Ltd. and Sunima Trading Pvt. Ltd.

Your company is holding more than 50% in the Equity Share Capital of Genus Prime Infra Limited (formerly Gulshan Chemfill Limited). Hence there is Holding – Subsidiary relationship between the Company and GPIL. Sansar Infrastructures Pvt. Ltd. and Sunima Trading Pvt. Ltd. are wholly owned subsidiaries of Genus Prime infra Limited. Hence, subsidiaries of the subsidiary of the company shall be the fellow subsidiaries of the Company.

Pursuant to the provisions of Section 212 of the Companies Act, 1956, documents in respect of the various Subsidiaries viz., Board's Report, Auditor's Report, Balance Sheet and Profit and Loss Account are required to be attached to the Annual Report of the Company. However, the Ministry of Corporate Affairs, Government of India vide Circular No. 02/2011 dated February 8, 2011 granted a general exemption under Section 212(8) of the Companies Act,1956 directing that provisions of Section 212 shall not apply in relation to subsidiaries of the Company subject to fulfillment of certain conditions. Accordingly, the Board of Directors has approved to dispense with the requirements of attaching to its annual report, the audited annual accounts of the Company's subsidiaries in line with the said circulars.

Hence, the Annual Report of the Company does not contain the individual financial statements of subsidiaries, but contain the consolidated financial statements of the Company and its subsidiaries.

The Company shall provide the copy of Annual Report and other documents of its subsidiary companies as required under Section 212 of the Companies Act, 1956 to the Shareholders of the Company and also to the Shareholders of the subsidiary companies on demand, free of cost. The Annual Report containing the annual accounts of the subsidiary companies is also kept open for inspection by any Shareholder at the Registered Office of the Company and that of the subsidiary companies.

The statement as required under Section 212 of the Companies Act, 1956, in respect of the subsidiaries of the Company is annexed and forms an integral part of this Report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2014 prepared as per Accounting Standard AS 21, consolidating the Company's accounts with its subsidiaries have also been included as part of this Annual Report.

## **INSURANCE**

The properties of your Company comprising buildings, plant and machinery, other assets, stocks, etc. were adequately insured against various risks.

## **DIRECTORS**

Mr. Udit Agarwal, who was appointed as Independent Director liable to retire by rotation as per Old Companies Act, 1956, is retiring by rotation at ensuing annual general meeting. However, in terms of provision of section 152 of the New Companies Act, 2013 which came in force w.e.f. 01.04.2014, an independent director shall not liable to retire by rotation. Therefore, he is not retiring at ensuing annual general meeting.

During the year, Mr. Udit Agarwal (DIN 02820615), Mr. Rameshwar Pareek (DIN 00014224) and Mr. Bhairon Singh Solanki (DIN 00012141) were appointed as independent Directors liable for retire by rotation as per old Companies Act, 1956. The necessary resolutions for their appointment as Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for a term of 5 (five) consecutive years w.e.f. 01st August 2014 up to 31st July, 2019 are contained in the notice for your approval.

The Company has received declaration from all the independent directors under Section 149(7) of the Companies Act, 2013 in respect of meeting the criteria of independence provided under Section 149(6) of the said Act.

The Members at its extra ordinary general meeting held on 29.11.2013 accorded its approval to the appointment and payment of remuneration to Mr. Kailash Chandra Agarwal (DIN 00895365) as Managing Director and CEO of the Company and Mr. Himanshu Agarwal (DIN 00065185) as Whole Time Director of the Company, for a period of 3 years w.e.f. November 29, 2013 as per the provisions of Old Companies Act, 1956. They are not liable to retire by rotation in terms of provisions of the Articles of Association of the Company.

The appointment of the Managing Director and Whole Time Directors is as per the Old Companies Act, 1956 which almost have been repealed and New Companies Act, 2013 have been enacted and have been substantially come into force w.e.f. 01<sup>st</sup> April, 2014.

As per the provisions of section 152 of the Companies Act, 2013, every company shall have at least 2/3<sup>rd</sup> rotational directors of the total no. of directors of the company for the time being in force. However, this section further provides that Independent Directors shall not be liable to retire by rotation and shall not be included in total no. of director for this purpose.

At present, your company have total 6 directors out of which 3 are independent directors who shall not be liable to retire by rotation in terms of section 152 of the New Companies Act, 2013 and out of the remaining 3 directors, 1 is managing director and 1 is whole time director who are not liable to retire by rotation in terms of Article of Association of Company and 1 is non-executive chairman who is liable to retire by rotation. Thus, your company has 1 rotational director, while it is required in terms of the provisions of Section 152 of the New Companies Act, 2013 to appoint at least 2 such directors who shall retire by rotation at annual general meeting.

In order to compliant with the provisions of the New Companies Act, 2013, the Board of Directors recommends the fresh approval of members of the Company to the appointment of Mr. Kailash Chandra Agarwal as Managing Director and Mr. Himanshu Agarwal as Whole Time Director by way of resolutions as contained in the Notice.

Brief particulars of the directors proposed to be appointed / reappointed are provided as an annexure to the Notice convening the Annual General Meeting, forming part of this Annual Report.



## **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956, in relation to the financial statement of the Company for the year 2013-14, the Board of Directors hereby state and confirm:

1. That in the preparation of annual accounts, applicable Accounting Standards have been followed;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the Profit of the Company for the period ended on that date;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the annual accounts on a going concern basis.

## **CASH FLOW STATEMENT**

In conformity with the Accounting Standard 3 issued by the Institute of Chartered Accountants of India and the provisions of Clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended March 31, 2014 is annexed to the accounts.

## **CORPORATE GOVERNANCE**

The Company is complying, to the extent as applicable, with Corporate Governance requirements as stipulated under Clause 49 of the Listing Agreement proposed to be executed with the Stock Exchanges in respect of the Company's application made for approval of listing of equity shares at BSE and NSE.

A separate report on Corporate Governance is annexed and forms part of the Annual Report.

The Management Discussion and Analysis is presented in a separate section, which forms part of the Annual Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

A statement containing the necessary information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto as Annexure and forms an integral part of this report.

## **AUDITORS**

M/s Pradeep Hari & Co., Chartered Accountants (ICAI Firm Registration Number – 006542C), Statutory Auditors of the Company, retires at the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

The Company has received a letter pursuant to Section 139 and 141 of the Companies Act, 2013 from M/s Pradeep Hari & Co., Chartered Accountants (Proprietor - Mr. Pradeep Kapoor having Meb. No - 074491) regarding his eligibility for re-appointment as Auditors of the Company.

The Board of Directors recommend to the Members of the Company for the reappointment of M/s. Pradeep Hari & Co., Chartered Accountants as Statutory Auditors of the Company to hold the office for a term of three years from the conclusion of ensuing 03rd Annual General Meeting of the Company till the conclusion of 06th Annual General Meeting of the Company (subject to ratification by members at every Annual General Meeting) and to fix their remuneration.

The observations of Auditors in their report read with the relevant notes to accounts are self-explanatory and therefore do not require further explanation.

## **COST AUDITORS**

In pursuance to Section 148 of the Companies Act, 2013 (erstwhile Section 233-B of the Companies Act, 1956) read with the Cost Audit Rules issued by the Cost Audit Branch of Ministry of Corporate Affairs, the Board appointed, on the recommendation of the Audit Committee, M/s M. K. Singhal & Co., Cost Accountant, (FRN-00074) as the Cost Auditor to conduct the Cost Audit of the Company for the financial year 2014-2015. The Company filed application with Central Government for financial year 2014-15 for appointment of Cost Auditor vide SRN S30461800 dated 28-06-2014 and the approval of Central Government has been received.

The Board has also approved, on the recommendation of the Audit Committee of the Boards of Directors, that the remuneration of Rs. 60000/- plus traveling, lodging and boarding expenses be paid to the Cost Auditors to conduct the cost audit of the Paper Plant & Steel Plant of the Company for the financial year 2014-15 subject to the rectification by the members at the ensuing annual general meeting.

The Cost Audit Report for the financial year 2013-14, in respect of the Kraft Paper & Steel Ingot prescribed under Cost Audit Rules, 2011, is due to be filed with MCA on or before 30.09.2014 (being within 180 days from the end of reporting year).

## **CORPORATE SOCIAL RESPONSIBILITY**

Your Company is committed, as a responsible corporate citizen, for adding value to society and addressing the contemporary societal needs and challenges.

As the Company meets with one of the criteria of Section 135(1) of the Companies Act, 2013, it has constituted a CSR Committee consisting of (1) Shri Udit Agarwal, Chairman of the Committee; (2) Shri Rameshwar Pareek; (3) Shri Kailash Chandra Agarwal; and (4) Shri Himanshu Agarwal as members of the Committee to achieve the CSR objectives. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are required to be furnished in statement to be annexed to this Report. However, as per the provisions of Section 219(1)(b) (iv) of the said Act, the report and accounts are being sent to all the Shareholders excluding the aforesaid Annexure.

A statement containing such particulars shall be made available for inspection by any shareholder during working hours up to the date of the Annual General Meeting. Any member interested in obtaining the copy of the statement may write to the Company at its Registered Office.

## **SIGNIFICANT TRANSACTIONS**

During the financial year ended 31.3.2014, the following transactions were made:

- i) the Hon'ble High Court of Allahabad approved the Scheme of Arrangement among the Company, Genus Paper Products Limited ("GPPL") and Genus Power Infrastructures Limited ("GPIL") on October 29, 2013 and the manufacturing paper and steel business of Genus Power Infrastructures Limited (GPIL) including all assets and liabilities related thereto stand transferred and vested into your company on going concern basis pursuant to the said scheme.
- ii) the Company has issued and allotted 25,66,25,940 equity shares of Re.1/- each to the Shareholders of Genus Power Infrastructures Limited on January 17, 2014 pursuant to Scheme of Arrangement as approved by Hon'ble High Court of Allahabad on October 29, 2013. The said new equity shares issued in terms of Clause 12.1 by your company shall, subject to completion of applicable procedures, be listed on the stock exchanges where GPIL is currently listed and shall remain frozen in the depositories system till listing/trading permission is given by the BSE Limited and the National Stock Exchange of India Limited as per clause 12.3 and clause 12.9 of the said scheme.
- iii) the equity shares of the Company are subject to listing at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) as per Scheme of Arrangement. Your Company has made application to the BSE Limited and National Stock Exchange of India Limited

for approval of listing of 25,71,25,940 equity shares of face value of Re 1/- each fully paid up, [25,66,25,940 shares issued and allotted by Genus Paper & Boards Limited (the “Company”) pursuant to the Scheme of Arrangement among the Company, Genus Paper Products Limited (“GPPL”) and Genus Power Infrastructures Limited (“GPIL”) and 5,00,000 issued upon incorporation of Company as minimum subscribed share capital] and for granting relaxation from applicability under Rule 19(2) (b) the Securities Contract (Regulation) Rules, 1957.

- iv) the Company has entered into a Share Purchase Agreement dated 01<sup>st</sup> July, 2014 with i)- Mr. Jitendra Kumar Agarwal ii)- Mr. Rajendra Kumar Agarwal and iii)- Mr. Amit Agarwal (**the Acquirers**), to dispose off /sell its 8028826 equity shares of Rs.2/- each fully paid up (57.05% of the paid up capital) held by it in Genus Prime Infra Limited (formerly Gulshan Chemfill Limited), a subsidiary of the Company at a price of Rs.4/- per share for a total consideration of Rs. 3,21,15,304/- and shall be subject to compliance with the provisions of SEBI (Substantial Acquisitions of Shares and Takeover) Regulations, 2011.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their gratitude for the assistance and cooperation extended by company’s shareholders, suppliers, dealers, business partners, bankers and financial institutions, Central and State Government and others associated with the Company. Your Directors also wish to place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment and look forward to their continued support.

For and on behalf of Board of Directors  
For **Genus Paper & Boards Limited**

Place : Moradabad  
Dated : 23<sup>rd</sup> July, 2014

**Himanshu Agarwal**  
Whole Time Director  
DIN-00065185

**Kailash Chandra Agarwal**  
Managing Director  
DIN-00895365

**ANNEXURE TO DIRECTORS' REPORT**

*Additional Information as required Under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Year ended 31<sup>st</sup> March, 2014.*

**CONSERVATION OF ENERGY:**

In line with the Company's commitment towards conservation of natural resources, all business units have continued with their efforts to improve energy usage efficiencies.

Energy Conservation Measures Taken	The Company is running smoothly its own <b>12 MW Co-generation Captive Power Plant.</b>
Additional Investment & Proposal, if any, being implemented for reduction of consumption of energy.	The Company is engaged in the continuous process of energy conservation through improved operational and maintenance practices.
Impact of measures at (1) & (2) above for the reduction of energy consumption and consequent impact on the cost of production of goods.	Improvement in existing process, improved performance, improved productivity, cost reduction etc.
Total Energy Consumption and Energy Consumption per unit of Production.	Please see <b>Form – A</b> annexed herewith.

**FORM A**  
**(See Rule 2)**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**
**A. POWER & FUEL CONSUMPTION:**

		2013-14	2012-13
<b>1. Electricity</b>			
	<b>(a) Purchased Units (Lacs)</b>	196.03	-
	Total Cost (Rs. In Lacs)	1118.78	-
	Rate / Unit (Rs.)	5.71	-
	<b>(b) Own Generation</b>		
	(i) Through Diesel Generator Units (Lacs)	9.40	-
	Electric Units per unit (ltr.) of Fuel	3.45	-
	Fuel Cost/Unit (Rs.)	16.38	-
	(ii) Through Turbine Units (Lacs)	394.95	-
	Electric Units per unit of Fuel (MT)	918.06	-
	Fuel Cost/Unit (Rs.)	6.34	-
<b>2. Coal/Husk/Wood fire</b>			
	Quantity (Tones)	43019.95	-
	Total Cost (Rs. In Lac)	2503.36	-
	Average Rate per M.T. (Rs.)	5819.07	-
<b>3. HSD/FO/SKO/LDO</b>			
	Quantity (K. Ltrs.)	272.35	-
	Total Cost (Rs. In Lac)	153.87	-
	Average Rate per Liter (Rs.)	56.50	-

**B. CONSUMPTION PER UNIT OF PRODUCTION:**

Product	Electricity (Units)		HSD/FO/SKO/LDO (K. Ltrs.)		Coal/Husk/Wood fire (M.T.)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Kraft Paper	542	-	0.003	-	0.538	-
M. S. Ingot	1099	-	-	-	-	-

**FORM-B**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

I.	RESEARCH AND DEVELOPMENT (R&D):	The Company is committed to driving sustainable production through innovative technology.
II.	TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:	
III.	FOREIGN EXCHANGE EARNING AND OUTGO:	
	(a) Activities relating to Export initiatives	NIL
	(b) Total Foreign Exchange Earned and Outgo:	
	Foreign Exchange Earned (Rs.)	NIL
	Foreign Exchange Outgo (Rs.)	<b>28,29,970.12</b>

For and on behalf of Board of Directors  
For **Genus Paper & Boards Limited**

Place : Moradabad  
Dated : 23<sup>rd</sup> July, 2014

Himanshu Agarwal  
Whole Time Director  
DIN-00065185

Kailash Chandra Agarwal  
Managing Director  
DIN-00895365

## REPORT ON CORPORATE GOVERNANCE

### A. COMPLIANCE OF MANDATORY REQUIREMENTS

The equity shares of Company are subject to listing at BSE and NSE pursuant to Scheme of Arrangement. Accordingly, an application for listing of equity shares at stock exchanges namely BSE and NSE has been filed by the company and is awaiting approval of SEBI and Stock exchanges. In terms of Clause 49 of the Listing Agreement to the extent as applicable to the Company, the Corporate Governance Compliance Report is provided hereunder:

#### I. Company's Philosophy on Code of Governance

Your Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times. Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all. The Company has always strived to prove Good Governance practices which ensure that a competent management team at the helm of affairs and employees has a stable environment and Board is strong enough with good combination of Executive and Non-Executive, including Independent Directors who represent the interest of all stakeholders.

Your Company believes in optimum utilization of the resources and ethical behavior of the enterprise to enhance the stakeholders' value with strong emphasis on transparency, accountability, integrity, equity, fairness and commitment to values.

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders.

#### II. Board of Directors:

The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board.

The Board of Directors of the Company as on 31st March, 2014 comprised 6 directors out of which two are Executive Directors and four Non-Executive Directors. The Company has a Non-Executive Chairman which is promoter of the Company. The Company is having 3 Independent Directors which is ½ of the total directors. Thus, the Company meets the requirement relating to the Composition of Board of Directors.

**Composition of Board of Directors and other details as on 31st March, 2014 are as under:**

Name of the Directors	Category of Directorship	No. of other directorships held <sup>1</sup>	Other committee positions held <sup>2</sup>		No of Equity Shares held
			As Chairman	As Member	
Mr. Ishwar Chand Agarwal	Non Executive, Chairman, Promoter	08	-	-	10329457
Mr. Kailash Chandra Agarwal	Managing Director, Executive, Promoter	09	-	-	13298366
Mr. Himanshu Agarwal	Executive Director, Promoter	01	-	-	2301846
Mr. Rameshwar Pareek	Independent, Non Executive	09	04	02	Nil
Mr. Bhairon Singh Solanki	Independent, Non Executive	01	-	02	10000
Mr. Udit Agarwal	Independent, Non Executive	02	-	01	Nil

1. Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956, have not been considered for this purpose.

2. Committees viz, Audit and Stakeholders' Relationship Committees have been considered for this purpose.

## Directors' Attendance at Board Meetings and Annual General Meeting

Ten Board Meetings were held during the year on 28th May, 2013, 30th August, 2013, 02nd October, 2013, 29th October, 2013, 04th November, 2013, 22nd November, 2013, 10<sup>th</sup> December, 2013, 07th January, 2014, 17th January, 2014 and 18th March, 2014. Annual General Meeting [AGM] for FY 2012-13 was held on 25th September, 2013.

Name of Directors	Board Meeting during the Year		Attendance at Last AGM <sup>1</sup>
	Held	Attended	
Mr. Ishwar Chand Agarwal	10	03	Yes
Mr. Kailash Chandra Agarwal	10	07	Yes
Mr. Himanshu Agarwal	10	10	Yes
Mr. Rameshwar Pareek	10	05	-
Mr. Bhairon Singh Solanki	10	03	-
Mr. Udit Agarwal	10	06	-

i. Mr. Rameshwar Pareek, Mr. Bhairon Singh Solanki and Mr. Udit Agarwal were appointed as directors w.e.f. 29th October, 2013

## Code of Conduct

In pursuance of Clause 49 of the Listing Agreement, the 'Code of Conduct for Board of Directors and Senior Management' will be implemented by the Company on receipt of approval for listing of equity shares of company from BSE and NSE.

## III. Audit Committee

In terms with Clause 49 of the Listing Agreement and erstwhile Section 292A of the Companies Act, 1956, the Board at its meeting held on 29.10.2013 constituted a qualified and Independent Audit Committee. The existing Remuneration Committee of the Board of Directors in accordance with the Companies Act, 2013 was reconstituted by Board of Directors at its meeting held on 17.08.2014. The Audit Committee consists of the following members:

1.	Mr. Udit Agarwal	Chairman	Independent Non Executive Director
2.	Mr. Rameshwar Pareek	Member	Independent Non Executive Director
3.	Mr. Bhairon Singh Solanki	Member	Independent Non Executive Director
4.	Mr. Kailash Chandra Agarwal	Member	Managing Director

All the members of the Audit Committee are financially literate with knowledge in finance and accounts.

The terms of reference, scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act 2013 and Clause 49 of the Listing Agreement. The brief terms of reference of the Audit Committee inter-alia, include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management and adequacy of internal audit functions, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditor on any significant findings.

During the year ended March 31, 2014, two meetings of the Audit Committee were held on the following dates : (i) December 10, 2013 (ii) March 18, 2014

The attendance of the Chairman and the members of Audit Committee at the meetings held during the year under review was as under

Name of the Directors	No of Meetings	
	Held	Attended
Mr. Udit Agarwal	2	2
Mr. Rameshwar Pareek	2	2
Mr. Bhairon Singh Solanki	2	1
Mr. Kailash Chandra Agarwal	2	1

#### IV. Nomination and Remuneration Committee (formerly known as Remuneration Committee)

During the year under review, in terms with Clause 49 of the Listing Agreement the Board at its meeting held on 29.10.2013 constituted a Remuneration Committee. The existing Remuneration Committee of the Board of Directors in accordance with the Companies Act, 2013 was reconstituted and renamed as Nomination and Remuneration Committee by Board of Directors at its meeting held on 17.08.2014. The Nomination and Remuneration Committee comprises of the following members:

1.	Mr. Udit Agarwal	Chairman	Independent Non Executive Director
2.	Mr. Rameshwar Pareek	Member	Independent Non Executive Director
3.	Mr. Bhairon Singh Solanki	Member	Independent Non Executive Director

The brief terms of reference of this Committee includes consideration, review and approval of remuneration of Executive Directors / Chairman and sitting fees payable to Non-Executive Directors with regard to performance standards and existing industry practices.

During the year only one remuneration committee meeting was held on November 4, 2013. The attendance of each member Director, at the Committee Meetings during the period is as under:

Name of the Directors	No of Meetings	
	Held	Attended
Mr. Udit Agarwal	1	1
Mr. Rameshwar Pareek	1	1
Mr. Bhairon Singh Solanki	1	1

The break-up of remuneration to Managing Director and Whole Time Director for the year 2013-14 is given below:

Names	Mr. Kailash Chandra Agarwal	Mr. Himanshu Agarwal
Position	Managing Director	Whole Time Director
Salary (Per Month)	5,00,000/-	5,00,000/-
Commission	-	-
Allowances	-	-
Contribution to Provident Fund and Super annuation Funds (Per Month)	60,000/-	60,000/-
Perquisites	-	-
<b>Total</b>		
Tenure	For a period of 3 years w.e.f. November 29, 2013	For a period of 3 years w.e.f. November 29, 2013
Notice Period	-	-
Stock Option	None	None

The Non-Executive Directors paid no sitting fees. No stock options were granted to Non-Executive Directors during the year under review.

#### V. Stakeholders Relationship Committee (formerly known as Shareholders'/Investors' Grievance Committee)

During the year under review, in terms with Clause 49 of the Listing Agreement the Board at its meeting held on 29.10.2013 constituted a Shareholders'/Investors' Grievance Committee. The existing Shareholders'/Investors' Grievance Committee of the Board of Directors in accordance with the Companies Act, 2013 was reconstituted and renamed as Stakeholders Relationship Committee by Board of Directors at its meeting held on 17.08.2014. The Stakeholders Relationship Committee comprises of the following members:

1.	Mr. Udit Agarwal	Chairman	Independent Non Executive Director
2.	Mr. Rameshwar Pareek	Member	Independent Non Executive Director
3.	Mr. Bhairon Singh Solanki	Member	Independent Non Executive Director



The Shareholders'/Investors' Grievance Committee was constituted to look into the redressal of Investors' complaints relating to the transfer of shares, non-receipt of Annual Reports and non receipt of dividends declared by the Company etc.

The process of share transfer as well as review of redressal of investors'/shareholders' grievances is undertaken on fortnightly basis by the Registrar and Share Transfer Agents and the Compliance Officer.

During the year 2013-14, one meeting of the Shareholders/Investors Grievance Committee was held on 18th March, 2014. The attendance of each member Director, at the Committee Meetings during the period is as under:

Name of the Directors	No of Meetings	
	Held	Attended
Mr. Udit Agarwal	1	1
Mr. Rameshwar Pareek	1	1
Mr. Bhairon Singh Solanki	1	1

#### **Name and Designation of the Compliance Officer**

Pursuant to Clause 47(a) of the Listing Agreement, the Board has designated Mr. Ankit Agarwal, Company Secretary as the Compliance Officer and can be contacted at :

Genus Paper & Boards Limited  
Vill. Aghwanpur, Kanth Road,  
Moradabad-244001, Uttar Pradesh, India  
Tel : 91 – 591 – 2511171 Fax : 91 – 591 - 2511242  
E-mail : [cs@genuspaper.com](mailto:cs@genuspaper.com)  
Website : [www.genuspaper.com](http://www.genuspaper.com)

#### **VI. Corporate Social Responsibility Committee**

Pursuant to section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee, constituted vide board meeting dated 18.07.2014, consists of the following members:

1.	Mr. Udit Agarwal	Chairman	Independent Non Executive Director
2.	Mr. Rameshwar Pareek	Member	Independent Non Executive Director
2.	Mr. Kailash Chandra Agarwal	Member	Managing Director & CEO
3.	Mr. Himanshu Agarwal	Member	Whole Time Director

The terms of reference of the Committee inter alia, include the following:

- i. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- ii. To recommend the amount of expenditure to be incurred on the CSR activities; and
- iii. To monitor the implementation of the CSR Policy.

#### **VI. Compliance on Corporate Governance**

The Company has complied with the conditions of Corporate Governance as stipulated under clause 49 of the listing agreement proposed to be executed with the Stock Exchanges namely BSE and NSE, to the extent as applicable to the Company.

## VII. GENERAL BODY MEETINGS

Location and time where the last three Annual General Meetings were held:

Financial Year ended	Date	Venue	Time
31.03.2013	25.09.2013	Vill. Aghwanpur, Kanth Road, Moradabad-244001 Uttar Pradesh	12:30 PM
31.03.2012	24.12.2012		2:00 PM

The Following Special Resolutions were passed in the previous three Annual General Meetings

AGM Date	Particulars of Special Resolutions
25.09.2013	NIL
24.12.2012 (First AGM)	NIL

No Resolution was passed during the Financial Year 2012-13 through Postal Ballot.

No Special resolution requiring Postal Ballot is being proposed at the ensuing Annual General meeting of the Company.

## VIII. Disclosures

- During the year, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company at large. However, the Company has given in the notes to accounts, a list of related parties as per Accounting Standard 18 and the transactions entered into with them.
- There were no instances of non-compliance, penalties imposed on the Company by Stock Exchange or SEBI or any Statutory authority on any matter related to the capital markets, during the last three years.

## IX. Means of Communication

- Annual results are sent to each shareholder.
- Management's Discussion & Analysis has been included as part of the Annual Report.
- All price sensitive information or clarifications on the decisions of the Board shall communicate immediately to the Stock Exchange for dissemination to the shareholders.
- The Company's financial results and other official news releases and presentations shall be displayed on the website of the Company - [www.genuspaper.com](http://www.genuspaper.com).

## X. GENERAL SHAREHOLDERS' INFORMATION

<b>a.</b>	<b>Annual General Meeting</b>	
	Date	30.09.2014
	Time	10:30 AM
	Venue	Vill. Aghwanpur, Kanth Road, Moradabad-244001, Uttar Pradesh
<b>b.</b>	Financial Year	From April To March
<b>c.</b>	Tentative Financial Calendar 2014-15	
	For 1st quarter ended 30th June, 2014	Not Applicable. The Company shall start to file the quarterly results with stock exchanges after getting approval for listing of equity shares.

	For 2nd quarter ending 30th September, 2014	By 14th November, 2014
	For 3rd quarter ending 31st December, 2014	By 14th February, 2015
	For 4th quarter ending 31st March, 2015	By 30th May, 2015
<b>d.</b>	Date of Book Closure	Saturday, 27.9.2014 to Tuesday, 30.9.2014 (both days inclusive)
<b>e.</b>	Dividend Payment Date	Not Applicable, as no dividend has been declared for the year under review.
<b>f.</b>	Listing on Stock Exchange	The Company has filed application for listing of its equity shares at BSE Ltd., Mumbai (BSE) and National Stock Exchange of India Ltd., Mumbai (NSE) and is awaiting approval in regard.  The Company has paid annual listing fees for the year 2014-2015 as applicable.
<b>g.</b>	Stock Exchange Code Number	Equity shares of the company are not listed at any stock exchange during the year under reference. Hence, there is no stock exchange code number.
<b>h.</b>	Demat ISIN numbers in NSDL & CDSL	INE949P01018
<b>i.</b>	Stock Market Price Data and its Performance	Equity shares of the company were not listed at any stock exchange during the year. Hence, there is no stock market price data available.
<b>j.</b>	Registered Office & Plant Locations	Genus Paper & Boards Limited Village Aghwanpur, Kanth Road, Moradabadr-244001, Uttar Pradesh Tel:0591-2511171 Fax:0591-2511242

**k. Registrar and Share Transfer Agent:**

The Company has appointed M/s Niche Technologies Private Limited as its Registrar and Transfer Agent for handling the share registry work relating to shares held both in physical and electronic form at a single point. The shareholders may address their communications and any grievances or queries pertaining to share transfer/demat including physical transfer requests and demat requisition forms, to the Registrar & Transfer Agent of the Company at the following address :

**Niche Technologies Pvt. Ltd.**  
D-511, Bagree Market, 71, B. R. B. Basu Road,  
Kolkata-700 001  
Telephone: 033 22357270/7271  
Fax: 033 22156823  
Email: nichetechpl@nichetechpl.com  
Website: [www.nichetechpl.com](http://www.nichetechpl.com)

### I. Share Transfer System:

The Board of Directors has delegated the power of share transfer, transmission, split/consolidation of share certificates, demat / remat of shares, issue of duplicate certificates etc. to the Registrar and Transfer Agent (RTA) M/s Niche Technologies Pvt. Ltd. in order to expedite the process and disposal of share transfers and other shareholders matters. The RTA has fully computerized system and attends to all delegated matter, timely and appropriately.

#### m. Distribution of shareholding as on 31<sup>st</sup> March, 2014:

Number of Shares	Shareholders		Shares	
	Number	% of Holders	Number	% to Total Shares
1 - 500	7191	52.73	1548500	0.60
501 - 1000	2137	15.67	1944775	0.76
1001 - 5000	3014	22.10	7945842	3.09
5001 - 10000	638	4.68	5165416	2.01
10001 - 50000	483	3.54	10346895	4.02
50001 - 100000	66	0.48	4633153	1.80
100001 - and Above	109	0.80	225541359	87.72
<b>Total</b>	<b>13638</b>	<b>100.00</b>	<b>257125940</b>	<b>100.00</b>

#### n. Categories of Shareholders as on 31<sup>st</sup> March, 2014:

Sl. No.	Category of Shareholders	No of Shares held	No of Shares in De-mat Form	% of shareholding
<b>A.</b>	<b>PROMOTERS AND PROMOTERS GROUP: INDIAN</b>			
a.	Individuals /HUF	69195587	69195527	26.911
b.	Bodies Corporate	60611167	60111227	23.573
	<b>Total Shareholding Promoter &amp; Promoter Group Total (A)</b>	<b>129806754</b>	<b>129306754</b>	<b>50.484</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING:</b>			
	▪ <b>Institutions</b>			
a.	Mutual Funds /UTI	122945	23945	0.048
b.	Financial Institutions /Banks	6000	-	0.002
c.	Foreign Institutional Investors	93110	93110	0.036
d.	Foreign VC Investors	43000	-	0.017
	<b>Sub-Total – B(1)</b>	<b>265055</b>	<b>117055</b>	<b>0.103</b>
	▪ <b>Non-Institutions</b>			
a.	Bodies Corporate	22062418	22032418	8.58
b.	Individuals	94365903	91730353	36.70
c.	Others			
	NRI/OCBs	9841364	8715364	3.827
	Clearing Memb/Clearing Cor	784446	784446	0.305
	<b>Sub-Total – B (2)</b>	<b>127054131</b>	<b>123262581</b>	<b>49.413</b>
	<b>Total –B = B(1)+B(2)</b>			
	<b>Total (A + B)</b>	<b>257125940</b>	<b>252686390</b>	<b>100.00</b>

#### o. Dematerialization of Shares and Liquidity:

As at 31st March, 2014, 98.27% of total equity shares were held in electronic form with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The Company's equity shares are being traded compulsorily in dematerialized.

The ISIN No. of the Company's equity share is INE949P01018.

**p. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**q. Address for correspondence by Shareholders of the Company**

Please contact the Compliance Officer of the Company at the following address regarding any questions or concerns:

Mr. Ankit Agarwal  
Company Secretary & Compliance Officer  
Genus Paper & Boards Limited  
Village Aghwanpur, Kanth Road,  
Moradabad (U. P.) – 244 001  
Ph. (0591) 2511171, Fax. (0591) 2511242  
E-mail : cs@genuspaper.com

**B. STATUS OF ADOPTION OF THE NON MANDATORY REQUIREMENTS**

The Company has adopted the following non-mandatory requirements on corporate governance recommended under clause 49 of the Listing Agreement:

- i. The Chairman is non-executive but does not maintain an office at the Company's expense.
- ii. A Remuneration Committee comprising 3 Non-Executive Independent Directors reviews and decides the Company's policy on specific remuneration packages for Executive Directors.
- iii. **Other Items**  
The items mentioned under Non Mandatory Requirements of the Listing Agreement are being reviewed and will be implemented by the Company as and when required and/or deemed necessary by the Board.

## MANAGEMENT DISCUSSION AND ANALYSIS

### A) INDIAN PAPER INDUSTRY

The Indian paper industry is one of the important industries in terms of socio-economic development of the country. India has nearly 17 percent of the world's population, but consumes less than 2 percent of the world's paper. The estimated turnover of the industry is Rs. 35,000 crore approximately and the industry provides employment to more than 370,000 people directly and 1,300,000 indirectly. Per capita consumption of paper has almost doubled in the last decade. Even though the per capita consumption in the country is 10-11 kgs which is lower as compared with 42 kgs in China, 350 kgs in developed countries and with global average at a healthy 58 kgs. Over the years, aspiration levels of the growing middle class, improving standards of living, better educational opportunities strong growth in sectors like fast-moving consumer goods (FMCG)—pharmaceuticals, liquor, cosmetics, and the like—and organized retailing and governmental support are some of the prime reasons for the rising trend in consumption. This trend is expected to continue. It is estimated that an increase in consumption by one kg per capita can potentially increase annual paper demand by a million tons.

The following key market segments cover most of the Indian paper market:

- Printing and writing
- Newsprint
- Paperboard and industrial packaging
- Specialty

Paper sector is dominated by small and medium size units; number of mills of capacity 50,000 MT per annum or more is not more than 25. The domestic demand for all varieties of paper in India is estimated at around 11.60 million tonnes per year. Of this, writing & printing paper accounts for approx. 4.20 million tonnes, packaging grades for approx. 5.05 million tonnes and newsprint for about 1.75 million tonnes apart from speciality grade about 0.60 million tonnes. In the industrial paper & paperboard category, 58% of the products such as kraft paper are used in tertiary packaging and the remaining 42% constitute consumer packaging. Paperboard and industrial packaging is the largest segment with about 46 percent of demand.

### B) OPPORTUNITIES AND THREATS

Indian Paper and Board Industry, in particular is among the top 15 players globally. It has good growth potential given the low current per capita consumption.

We are one of the few kraft paper manufacturers. Main application of the kraft paper is in industrial packaging. It is largely used to manufacture corrugated boxes, bags, sacks, etc. Consumption of kraft paper is closely linked to growth in the packaging industry, industrial production and development in packaging technology and substitution by other materials. Packaging Industry has been growing steadily due to strong growth in the end use segments, substitution of plastic and wood cases with corrugated containers, organized retail, increasing urbanization and changing consumer patterns as also demand from sectors like FMCG Pharmaceuticals Food and Others and the company will be benefited by these trends and developments.

The Indian paper industry faces challenges like low economies of scale, environmental concerns, increasing cost of inputs & utilities and so on, which need to be addressed by the industry. Many mills have upgraded the technology and are expanding capacities through brownfield expansion/ new capacity additions and by focusing on cost control measures. The Company has improved significantly the operational efficiencies. Further, the Mill Expansion Programme envisaging setting up of co-generation power plant and installation of new capacity of finished paper and other capital expenditure projects will enable the Company to have an edge in quality and further improve the efficiencies.

### C) OUTLOOK

Looking to the current demand-supply gap and growing literacy and population is expected to accelerate the growth of the industry to over 8% in the coming years. Over the past few months, the corporate sector is abuzz with news on expansions, acquisitions and fund-raising by Companies in Paper Industry. The M&A activity is catching up in paper industry as well. India is the fastest growing paper market in the world with growth in the range of 8-10%. The acquisition of controlling stake in The Andhra Pradesh Paper Mills Ltd., by International Paper Company, USA, is likely to lead to a revamping of paper industry with a positive outlook.

**D) RISKS AND CONCERNS**

The Company is deriving 83.33% of its revenue from paper/paperboard business and 16.67% from steel business. Environmental issues, continuous availability of raw materials & fuels and increasing interest rates are the important issues concerning the paper industry.

The paper industry is one of the highly polluting categories of industries today. The Company is meeting all the norms as prescribed under Environment Protection Act, 1986 and other environmental laws consistently.

**E) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The operations of the Company for the year 2013-14 pertain to the transferred Paper Business of Genus Power infrastructures Ltd. (GPIL) to the Company.

	(Rs. in Lakh)
Financial Highlights	2013-14
Gross Sales	26545.45
Net Sales	24746.11
Other Income	665.16
Profit before Finance Cost and Depreciation (PBIDT)	2609.16
Profit before Depreciation and Tax (PBDT)	2041.08
Profit before Tax (PBT)	1316.28
Profit after Tax (PAT)	1029.55
EPS (Basic & Diluted) (in Rs.)	0.40

The production of paper and steel ingot during the year under review is 80,016.69 tonnes and 12,989.21 tonnes respectively. The Company posted net sales turnover of Rs. 24746.11 lacs and operating profit (EBIDTA) of Rs. 1948.44 lacs. The net profit after tax stands at Rs.1029.55 lacs.

**F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has evolved a system of internal controls to ensure that the assets are safeguarded and transactions are authorised, recorded and correctly reported. The internal control system is supplemented by management reviews and independent periodical reviews by the outside chartered accountancy firms which evaluate the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness. The scope of internal audit covers a wide variety of operational methods and, as a minimum, ensures compliance with specified standards with regard to availability and suitability of policies and procedures, extent of adherence, reliability of management information system and authorization procedures including steps for safeguarding of assets. The Reports of internal audit are placed before Audit Committee of the Directors. Audit Committee reviews such audit findings and the adequacy of internal control systems. The Statutory Auditors, Internal Auditors and the Cost Auditors of the Company also interact with the Audit Committee to share their findings and the status of corrective actions under implementation.

**G) HUMAN RESOURCES**

The Company's industrial relations are cordial. The Company lays great emphasis on proper management of human resources and believes that this is the most important ingredient for achieving excellence in performance and sustainable growth. The management constantly reviews the skill mix and takes appropriate steps to achieve desired skill mix. For upgrading the skill, special emphasis is laid on training. Selective and intensive training is being imparted to employees at various levels.

**H) CORPORATE SOCIAL RESPONSIBILITY**

Genus is committed not just towards profitable growth, but also towards leaving a deeper imprint on the society as a whole. All our actions are aimed towards this larger goal by operating in a manner that minimizes our impact on the environment and even help in replenishing the planet; and lending a helping hand to the community.

The Company has a policy towards the social and economic development of the communities in which it operates by way of contribution for many worthy causes like plantation, free technological & commercial education in rural areas, financial assistance to healthcare missions, free technical & financial assistance in organic farming, construction of dhalas rooms in gaushalas for gau-sewa, etc and gradually increasing the scope to cover various other activities related to social development.

1) **CAUTIONARY STATEMENT**

Statements in this “Management’s Discussions and Analysis” describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand, changes in Government regulations, environmental laws, tax regimes, economic developments within India and abroad and other factors such as litigation, industrial relations and other unforeseen events.



**STANDALONE FINANCIAL STATEMENTS**  
**Independent Auditor's Report**

To,  
The Shareholders  
**Genus Paper & Boards Limited.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Genus Paper & Boards Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the afore said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227 (3) of the Act, we report that:
  - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company, so far as appears from our examinations of the books;
  - c. The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement, dealt with by this report are in agreement with the books of account;

- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, comply with the Accounting Standards referred to in section 211(3C) of the Act;
- e. On the basis of the written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of section 274(1)(g) of the Act.

**ANNEXURE TO THE AUDITOR'S REPORT**

Refereed to in paragraph (1) of our report of even date

- (i)
  - (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a policy of physically verifying its fixed assets periodically, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. During the year, fixed assets have been physically verified by the management and no material discrepancies were noticed on such verification.
  - (c) Although some of the fixed assets have been disposed off during the year, in our opinion and according to the information and explanations given to us, the ability of the company to continue as a going concern is not affected.
- (ii)
  - (a) The inventory of the company has been physically verified by the management at reasonable intervals during the year. The verification was made on the basis of the perpetual inventory system operated by the Company. In case of materials lying with third parties, certificates confirming such inventory have been obtained by the Company from most of the third parties.
  - (b) In our opinion and on the basis of the information and explanations given to us, the procedures for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The company has maintained proper records of inventory. The discrepancies noticed on physical verification of stock as compared to the book records were not material.
- (iii) In respect of loans, secured or unsecured granted/taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - (a) The company has not taken or granted any secured /unsecured loans during the year.
  - (b) In our opinion and according to the information and explanation given to us, the rate of interest wherever applicable and other terms and conditions are not, prima facie, prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weaknesses have been noticed.
- (v) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956 have been entered. Clause (v-b) of paragraph 4 of the Order is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the account and records of the Company in this connection, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the accounts and records with a view to determine whether they are accurate or complete.
- (ix)
  - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities.
  - (b) The disputed statutory dues aggregating Rs.55.79 (Net of amount deposited), that have not been deposited on account of disputed matters pending before appropriate authorities are as under;

Sr. No.	Name of the Statute	Nature of the dues	Amount (Rs. in lac)	Period to which the Amount relates	Forum where the dispute is pending
1.	Sales Tax/ VAT Laws	Sales Tax/ VAT and Entry Tax	3.52	2004-2005	Hon'ble High Court
				2007-2008 2009-2010	Joint/Deputy Commissioner (Appeals)
2.	Central Excise  Act, 1944	Excise Duty	33.85	2006-2010	Commissioner Appeals
			3.59	2005-2006	Central Excise
			0.90	2009-2010	Appellate Tribunal
<b>Total</b>			<b>55.79</b>		

- (x) The Company does not have any accumulated losses at the end of the financial year and it has not incurred cash losses in the current year or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and based on our observations during the audit, the Company has not defaulted in repayment of dues to any financial institution or bank.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit funds/nidhi/mutual benefits funds/society.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures or other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and the representations made by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanation given to us, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment and vice versa.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) According to the information and explanations given to us by the Company and based on our audit, no fraud on or by the Company has been noticed or reported by the Company during the year.

for **Pradeep Hari & Co.**  
Chartered Accountants  
ICAI Firm registration no. 006542C

**Pradeep Kapoor**  
Proprietor  
Membership No. 074491  
Moradabad, July18, 2014

<b>BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014</b>				
		<b>31-03-14</b>		<b>31-03-13</b>
		<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
	<b>Note</b>			<b>Rupees</b>
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	1	257125940.00		500000.00
Reserves & Surplus	2	2768868565.02	3025994505.02	-
				500000.00
<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	3	60668925.36		-
Deferred Tax Liability	4	175929166.00		-
Long Term Provisions	5	2885920.00	239484011.36	-
				-
<b>CURRENT LIABILITIES</b>				
Short Term Borrowings	6	319308297.52		200000.00
Trade Payables	7	274679222.41		-
Other Current Liabilities	8	103536626.00		-
Short Term Provisions	9	1432673.00	698956818.93	10000.00
				210000.00
	<b>Total</b>		<b>3964435335.31</b>	<b>710000.00</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed Assets	10			
Tangible Assets		1744361239.00		-
Capital Work-in-Progress		121819787.00	1866181026.00	-
Non-Current Investments	11		142742167.65	-
Other Non Current Assets	12		784221474.00	49822.00
<b>CURRENT ASSETS</b>				
Inventories	13	443432278.00		-
Trade Receivables	14	415680096.68		-
Cash and cash equivalents	15	62141038.62		657302.00
Short term loans and advances	16	247914543.36		2876.00
Other Current Assets	17	2122711.00	1171290667.66	-
				660178.00
	<b>Total</b>		<b>3964435335.31</b>	<b>710000.00</b>
<b>Significant Accounting Policies</b>	1 to			
<b>Notes on Financial Statement</b>	36			
<b>As per our report attached</b>				
For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C				for and on behalf of the Board
				Kailash C. Agarwal Mg. Director DIN-00895365
Pradeep Kapoor Proprietor Membership No. 074491				Himanshu Agarwal Wt. Director DIN-00065185
Moradabad, July 18, 2014				Ankit Agarwal Company Secretary

<b>STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2014</b>				
			<b>31-03-14</b>	<b>31-03-13</b>
<b>INCOME</b>	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Revenue from Operations	18	2654545213.00	-	-
Less: Excise Duty		179933842.00	2474611371.00	-
Other income	19		66515619.00	-
<b>Total Revenue</b>			<b>2541126990.00</b>	<b>-</b>
<b>EXPENDITURE</b>				
Purchases/Consumption of Material	20		1841723176.63	-
Change in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21		(28020087.00)	-
Employees Benefit Expenses	22		37387830.00	-
Finance Cost	23		56807450.87	-
Depreciation & Amortisation Expenses	24		72766722.00	-
Other Expenses	25		428834167.83	-
<b>Total Expenses</b>			<b>2409499260.33</b>	<b>-</b>
<b>Profit/(Loss) before Taxation</b>			<b>131627729.67</b>	<b>-</b>
<b>Tax Expenses</b>				
Current tax			32066938.00	-
Deferred tax			(3394617.00)	-
<b>Profit for the year</b>			<b>102955408.67</b>	<b>-</b>
<b>Earning Per Equity Share</b>	26			
<b>-Basic &amp; Diluted (in Rupees)</b>			<b>0.40</b>	<b>-</b>
<b>Significant Accounting Policies</b>	1 to			
<b>Notes on Financial Statement</b>	36			
<b>As per our report attached</b>				
For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C			for and on behalf of the Board	
			Kailash C. Agarwal Mg. Director DIN-00895365	
Pradeep Kapoor Proprietor Membership No. 074491			Himanshu Agarwal Wt. Director DIN-00065185	
Moradabad, July 18, 2014			Ankit Agarwal Company Secretary	

CASH FLOW STATEMENT FOR THE YEAR 2013-14				
	31-03-14		31-03-13	
	Rupees	Rupees	Rupees	Rupees
<b>A. Cash Flow from Operating Activities</b>				
a. <b>Net profit before tax and exceptional item</b>	131627729.67		-	
Adjustments for:				
Depreciation	72480758.00		-	
Interest expenses	56807450.87		-	
Interest income	(57668601.00)		-	
Dividend income	(426278.00)		-	
Profit on sale of fixed assets	(188040.00)		-	
Profit on sale of Shares	(8075000.00)		-	
Preliminary expenses written off	285964.00		-	
b. <b>Operating profit before working capital changes</b>	194843983.54		-	
Adjustments for:				
Trade and Other Receivables	(105389147.68)		-	
Inventories	(73284217.00)		-	
Other current assets	231207428.99		6292.00	
Current liabilities & provisions	143673781.41		(48990.00)	
c. <b>Cash generated from Operations</b>	391051829.26		(42698.00)	
Direct Taxes paid (Net)	(32066938.00)		0.00	
Cash from operating activities	358984891.26		(42698.00)	
<b>Net Cash from Operating Activities</b>		<b>358984891.26</b>		<b>(42698.00)</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of fixed assets	(128321417.00)		-	
Sale of fixed assets	875001.00		-	
Sale (Purchase) of Investments (Net)			-	
Interest received	57668601.00		-	
Dividend received	426278.00		-	
<b>Net Cash from / (used in) investing activities</b>		<b>(40877536.65)</b>		<b>-</b>
<b>C. Cash Flows from Financing Activities</b>				
Proceeds from issuance of share capital/app. money	-		-	
Proceeds from borrowings	(204171029.12)		200000.00	
Repayments of borrowings	(40399000.00)		-	
Interest paid	(56807450.87)		-	
Dividend paid (includes corporate dividend tax)	-		-	
<b>Net Cash from / (used in) financing activities</b>		<b>(301377479.99)</b>		<b>200000.00</b>
<b>D. Net increase/(Decrease) in cash and cash equivalent</b>		<b>16729874.62</b>		<b>157302.00</b>
Cash and Cash equivalent at beginning of the year		657302.00		500000.00
Add: On Scheme of arrangement [Refer to Note 34]		44753862.00		-
<b>Cash and Cash equivalent at end of the year</b>		<b>62141038.62</b>		<b>657302.00</b>
<b>(Cash and Cash equivalent represent Cash and Bank balances)</b>		<b>16729874.62</b>		<b>157302.00</b>
<b>Note: Transaction arising out of scheme of arrangement as stated in note 34 is a non cash transaction, save as stated above and not considered in above cash flow workings.</b>				
<b>As per our report attached</b>				
For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C			for and on behalf of the Board	
Pradeep Kapoor Proprietor Membership No. 074491			Kailash C. Agarwal Mg. Director DIN-00895365	
Moradabad, July 18, 2014			Himanshu Agarwal Wt. Director DIN-00065185	
			Ankit Agarwal Company Secretary	

## Significant Accounting Policies

### 1. Basis of preparation of financial statements

The financial statements have been prepared on accrual basis following the historical cost convention in accordance with the Accounting Standards referred to in section 211 (3C) and other requirements of the Companies Act, 1956.

### 2. Use of Estimates

The preparation of financial statement requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the results and estimates are recognized in the period in which the results are known / materialized.

### 3. Revenue Recognition

- (i) Revenue from sale of products is recognized when the risk and reward of ownership of the product is passed on to the customers, which is generally on dispatch of goods. Sales are stated exclusive of Sale/Trade tax
- (ii) Dividend income is recognized when the unconditional right to receive the income is established.
- (iii) Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

### 4. Fixed Assets

Fixed Assets are stated at cost net of CENVAT, less accumulated depreciation. Cost of acquisition is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs. To adjust the original cost of Fixed Assets acquired through foreign currency loans at the end of each financial year by any change in liability arising out of expressing the outstanding foreign loan at the rate of exchange prevailing at the date of Balance Sheet.

### 5. Depreciation

Depreciation on the assets has been provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956 as amended. Depreciation on revalued assets has been charged from revaluation reserve.

### 6. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period as reversed if there has been a change in the estimate of recoverable amount.

### 7. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction or at the rates covered by the forward contracts. The exchange differences on conversion are adjusted to:

- a. Cost of Fixed Assets, if the foreign currency liability relates to the fixed assets.
- a. Cost of Raw Material & Chemicals, if the foreign currency liability relates to these items.
- b. Bank charges, if the foreign currency liability relates to conversion of bank's credit facility into foreign currency.

### 8. Investments

Long term Investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary in opinion of the management.

## 9. Inventories

Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, Stores & Spares are valued at cost, determined on the basis of the weighted average method.

Work-in-progress is valued at the lower of cost and net realizable value.

Finished goods are valued at the lower of cost and net realizable value. Excise duty is included in the value of finished goods inventory.

## 10. Preliminary Expenses

Preliminary expenses (including the expenses for enhancement of Authorised capital) have been amortized over a period of five years.

## 11. Retirement benefits

Company's contributions to Provident Fund are charged to Profit & Loss Account on accrual basis. Liability for payment of Gratuity and Leave Encashment is charged to Profit & Loss Account on the basis of Actuarial valuation as at year end.

## 12. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## 13. Provision for Current Tax & Deferred Tax

Provision for current tax is made, which is likely to arise on the results for the year at the current rate of tax in accordance with the provisions of the Income Tax Act, 1961, Deferred tax is computed in accordance with Accounting Standard 22- "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India,

## 14. Accounting of CENVAT Credit

Cenvat credit available on raw material, chemicals, stores & spares is accounted for by booking respective material purchases, net of excise duty, similarly Cenvat Credit entitlement on Capital goods, net of excise. Both these Cenvat Credits are accumulated and shown as receivable under "Loans and Advances" for adjustments in due course against duty payable on dispatch of finished goods.

## 15. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



**Notes on Financial Statements:**

<b>NOTE 1 SHARE CAPITAL</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
<b>AUTHORIZED</b>				
260000000 Equity Shares of Re.1/-each (1000000)		260000000.00		1000000.00
		<b>260000000.00</b>		<b>1000000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
257125940 Equity Shares of Rs. 1/- each fully paid up (500000) # refer to Note 34 (1) and (2 C)		257125940.00		500000.00
		<b>257125940.00</b>		<b>500000.00</b>
<b>The details of Shareholders holding more than 5 % shares :</b>				
	<b>As at</b>		<b>As at</b>	
<b>Name of Shareholder</b>	<b>31st March, 2014</b>		<b>31st March, 2013</b>	
	No. of Shares	% held	No. of Shares	% held
Genus Power Infrastructures Ltd. (Along with its nominees)	-	-	500000	100.00
Mr. Kailash Chand Agarwal	13298366	5.17	-	-
Vivekshil Dealers Private Ltd.	23736757	9.23	-	-
Mr. Mondip Kumar Tamuly	47543850	18.49	-	-
<b>The reconciliation of the number of Equity shares outstanding is set out below :</b>				
		<b>As at</b>		<b>As at</b>
<b>Particulars</b>		<b>31st March, 2014</b>		<b>31st March, 2013</b>
		No. of Shares		No. of Shares
Equity Shares at the beginning of the year		500000		500000
Add: Shares issued during the year		256625940		-
Equity Shares at the closing of the year		<b>257125940</b>		<b>500000</b>
<b>NOTE 2 RESERVES &amp; SURPLUS</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
<b>Profit &amp; Loss Account</b>				
Add: On scheme of arrangement #	200039100.35			
Add: Profit for the year	102955408.67	302994509.02	-	-
# [Refer Note No. 34 (2 e)]				
<b>Business Reconstruction Reserve</b>				
Add: On scheme of arrangement [Refer Note No. 34 (2d)]		2465874056.00		-
		<b>2768868565.02</b>		-

<b>NOTE 3 LONG TERM BORROWINGS</b>					
		31-03-14		31-03-13	
		Rupees	Rupees	Rupees	Rupees
		Current	Non-current	Current	Non-current
<b>From Banks - Secured</b>					
Rupee Loans	53284000.00	23468925.36	-	-	-
<b>From Others - Unsecured</b>					
-Other Parties	-	37200000.00	-	-	-
	<b>53284000.00</b>	<b>60668925.36</b>	-	-	-
<b>Securities</b>					
<b>1(a)</b>	Term loan from SBI -INR Rs. Nil (previous year Rs. Nil ) are secured by exclusive first charge on entire fixed assets of the company other than fixed assets of Paper & particle board division save and except assets charged to PNB to rank "pari-passu" between lenders at 2 and/ or 3 and further secured by securities mentioned at 2 below on "pari-passu" basis.				
<b>(b)</b>	The above facilities are further secured by first charge on Land, Building and Plant & machinery of steel division, land & building of administrative block and residential colony save and except first "pari-passu" charge on certain personal assets of promoters and directors.				
<b>2.</b>	Term loan from PNB Rs.74217406.00 (previous year Rs. Nil ) are secured by hypothecation of Plant & Machinery, equipments, tools etc. (existing / future of paper & board division save and except assets charged to banks to rank pari-passu between lenders at 1.				
<b>3.</b>	Term loan of Rs. 451726.36 from HDFC Bank. (previous year Rs.Nil) are secured by hypothecation of vehicles.				
<b>4.</b>	Term loan of Rs. 48326.00 from State Bank of India (previous year Rs.Nil) are secured by hypothecation of vehicles.				
<b>5.</b>	Term loan of Rs. 2035467.00 from Punjab National Bank (previous year Rs.Nil) are secured by hypothecation of vehicles.				
<b>NOTE 4 DEFERRED TAX LIABILITY</b>					
		31-03-14		31-03-13	
		Rupees	Rupees	Rupees	Rupees
<b>Deferred Tax Liability</b>					
Related to fixed assets		179323783.00			-
<b>Deferred Tax Asset</b>					
Disallowance under Income tax Act, 1961		3394617.00			-
<b>Net Deferred Tax Liability</b>		<b>175929166.00</b>			-
		Rupees		Rupees	
Opening Balance		-			-
Add: Deferred Tax Liability on scheme of arrangement #		179323783.00			-
Less: Deferred Tax Assets during the year		3394617.00			-
Balance as on 31-03-2014		<b>175929166.00</b>			-
# [Refer Note No. 34]					
<b>NOTE 5 LONG TERM PROVISIONS</b>					
		31-03-14		31-03-13	
		Rupees	Rupees	Rupees	Rupees
Provision for Employees Benefits		2885920.00			-
		<b>2885920.00</b>			-

<b>NOTE 6 SHORT TERM BORROWINGS</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
<b>From Banks - Secured</b>				
Rupee Loans		319308297.52		-
<b>From Others - Unsecured</b>				
- Other Parties		-		200000.00
		<b>319308297.52</b>		<b>200000.00</b>
<b>Securities:-</b>				
<b>1(a)</b>	Working Capital Loan INR Rs. 222085488.63 (previous Year Rs. Nil) are secured by exclusive first charge by way of hypothecation of entire current assets (existing & future) including all stocks & receivables pertaining to steel division and co-gen. power plant of the company save and except assets charged to PNB to rank pari-passu between lenders at 2. Further secured by securities mentioned at 2 below on pari-passu basis			
<b>(b)</b>	The above facilities are further secured by first charge on Land, Building and Plant & machinery of steel division, land & building of administrative block and residential colony save and except first "pari-passu" charge on certain personal assets of promoters and directors.			
<b>2.</b>	Working Capital Loan from PNB Rs. 97222808.89 (previous Year Rs. Nil) are secured by hypothecation of entire current assets (present & future) of the Multi-layered kraft paper unit save and except assets charged to bank to rank "pari-passu" between lenders at para 1.			
<b>NOTE 7 TRADE PAYABLES</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Sundry Creditors				
-Due to Micro, Small & Medium	-		-	
-Due to Others	274679222.41	274679222.41	-	-
		<b>274679222.41</b>		-
<b>NOTE 8 OTHER CURRENT LIABILITIES</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Current maturities of long term debt (Refer Note No. 03)		53284000.00		-
Others				
-Creditors for Capital Expenditure	6862284.00		-	
-Payable to Others	2306155.00		-	
-Salaries & benefits	3262721.00		-	
-Provision for expenses	21498909.00		-	
-Withholding and Other tax payable	15661386.00		-	
-Advance from customers	661171.00	50252626.00	-	-
		<b>103536626.00</b>		-
<b>NOTE 9 SHORT TERM PROVISIONS</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
<b>PROVISIONS</b>				
For Employees Benefits	463673.00		-	
For Others				
-Provision for Income tax (net of prepaid taxes)	969000.00	1432673.00	-	
-Others	-		10000.00	10000.00
		<b>1432673.00</b>		<b>10000.00</b>

NOTE 10 FIXED ASSETS AS AT 31-3-2014												
	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	As at	Additions		Deductions/	As at	As at	Additions	For	Adjustments	As at	As at	As at
	1-4-13	[Refer Note A]	during the year	Transfer	31-03-14	1-4-13	[Refer Note A]	the period		31-03-14	31-03-14	31-3-13
<b>Tangible Assets</b>												
Land	-	547444186.00	-	-	547444186.00	-	-	-	-	-	547444186.00	-
[Refer Note B]												
Residential Building	-	17215300.00	-	-	17215300.00	-	561218.00	280609.00	-	841827.00	16373473.00	-
[Refer Note B]												
Factory Building	-	78991600.00	-	-	78991600.00	-	5276638.00	2638319.00	-	7914957.00	71076643.00	-
[Refer Note B]												
Plant & Machinery	-	1261788423.00	3076317.00	442001.00	1264422739.00	-	112828034.00	66712877.00	64003.00	179476908.00	1084945831.00	-
Furniture & fixtures	-	5071648.00	785475.00	-	5857123.00	-	368508.00	347719.00	-	716227.00	5140896.00	-
Computers	-	1059116.00	392731.00	-	1451847.00	-	316881.00	202877.00	-	519758.00	932089.00	-
Vehicles	-	22767368.00	2247107.00	425000.00	24589475.00	-	3959034.00	2298357.00	116037.00	6141354.00	18448121.00	-
[Refer Note B]												
Sub Total (A)		<b>1934337641.00</b>	<b>6501630.00</b>	<b>867001.00</b>	<b>1939972270.00</b>		<b>123310313.00</b>	<b>72480758.00</b>	<b>180040.00</b>	<b>195611031.00</b>	<b>1744361239.00</b>	
Capital W I P	-	-	121819787.00	-	121819787.00	-	-	-	-	-	121819787.00	-
Sub Total (B)			121819787.00		121819787.00						121819787.00	
Total (A+B)	-	<b>1934337641.00</b>	<b>128321417.00</b>	<b>867001.00</b>	<b>2061792057.00</b>	-	<b>123310313.00</b>	<b>72480758.00</b>	<b>180040.00</b>	<b>195611031.00</b>	<b>1866181026.00</b>	-
As at 31.3.2013	-	-	-	-	-	-	-	-	-	-	-	-
Note A:	Additions represent assets acquired pursuant to Scheme of Arrangement. (refer to note 34)											
B:	Assets acquired pursuant to the Scheme of Arrangement are being transferred in the name of Company.											

<b>NOTE 11 NON CURRENT INVESTMENT</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Other Investment				
<b>In Equity Shares - Quoted, fully paid up</b>				
<b>A. Subsidiaries</b>				
8028826 Genus Prime Infra Ltd of Rs. 2/- each				
(Nil)	64230608.00		-	
<b>B. Others</b>				
195139 Gujrat Heavy Chemicals Ltd.	7805559.65	72036167.65	-	-
(Nil) of Rs. 10/- each				
<b>In Equity Shares - Unquoted, fully paid up</b>				
<b>A. Associates</b>				
17600 Virtuous Paper & Urja Ltd.		176000.00		-
(Nil) of Rs. 10/- each				
<b>B. Others</b>				
279500 Genus Electrotech Ltd.	17500000.00		-	
(Nil) of Rs.10/- each				
80000 Virtuous Urja Ltd.	800000.00		-	
(Nil) of Rs. 10/- each				
12500 Virtuous Infra Ltd.	125000.00		-	
(Nil) of Rs. 10/- each				
10000 Indo Global Papers Ltd.	100000.00		-	
(Nil) of Rs. 10/- each				
800 Rajasthan Assets Management Co. Pvt	80000.00		-	
(Nil) of Rs. 10/- each				
400000 Cube Fintex Pvt Ltd.	40000000.00		-	
(Nil) of Rs. 10/- each				
477000 Kailash Coal & Coke Co. Ltd.	11925000.00		-	
(Nil) of Rs. 10/- each		70530000.00		-
		<b>142742167.65</b>		-
Aggregate value of quoted investment				
Book Value	72036167.65		-	
Market Value	28482889.67		-	
Aggregate value of unquoted investment				
Book Value	70706000.00		-	
<b>NOTE 12 OTHER NON CURRENT ASSETS</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Loan & Advances		783077616.00		-
Miscellaneous expenditure (to the extent not written off or adjusted)		1143858.00		49822.00
		<b>784221474.00</b>		<b>49822.00</b>
<b>NOTE 13 INVENTORIES</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Raw Materials & Chemicals	155861230.00		-	
Finished Goods	111643992.00		-	
Stock in Process	1937600.00		-	
Stores & spares	173989456.00	443432278.00	-	-
		<b>443432278.00</b>		-

<b>NOTE 14 TRADE RECEIVABLES</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Sundry Debtors (Unsecured, Considered Good)				
-due for more than six months	3432572.00		-	
-others	412247524.68	415680096.68	-	-
		<b>415680096.68</b>		-
<b>NOTE 15 CASH AND CASH EQUIVALENTS</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Cash in hand	1831920.71		168830.00	
With Banks				
-on current account	17803366.91		58472.00	
-on term deposit	42505751.00	62141038.62	430000.00	657302.00
		<b>62141038.62</b>		<b>657302.00</b>
<b>NOTE 16 SHORT TERM LOANS AND ADVANCES</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Unsecured - (Considered Good Unless Otherwise Stated)				
Advances recoverable in cash or kind or for value to be received	132720597.16		-	
Security Deposits	5580350.00		-	
Balance with Revenue Authorities	73857039.20		2876.00	
MAT Credit Entitlement	35756557.00	247914543.36	-	2876.00
		<b>247914543.36</b>		<b>2876.00</b>
<b>NOTE 17 OTHER CURRENT ASSETS</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Accrued interest on term deposits		2122711.00		-
		<b>2122711.00</b>		-
<b>NOTE 18 REVENUE FROM OPERATION</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
<b>Sale of Products</b>				
Layer Kraft Paper	1572192066.00		-	
Kraft Paper	635791212.00		-	
Waste Fiber Sheet	60955.00		-	
M.S.Ingot/ Runner Riser	442399892.00		-	
High Seas Sales (Paper)	4101088.00	2654545213.00	-	-
		<b>2654545213.00</b>		-

<b>NOTE 19 OTHER INCOME</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Interest received from Bank		4195218.00		-
Interest income received from Others		53473383.00		-
Dividend from Investments		426278.00		-
Misc. receipts		157700.00		-
Profit on Sale of Fixed Assets		188040.00		-
Profit on Sale of investments		8075000.00		-
		<b>66515619.00</b>		-
<b>NOTE 20 PURCHASES / CONSUMPTION OF MATERIAL</b>				
		31-03-14		31-03-13
	% of Consumption	Rupees	% of Consumption	Rupees
<b>a) Raw Materials including chemicals consumed</b>				
Imported	67.52	1200316164.63	-	-
Indigenous	32.48	577468266.00	-	-
		<b>1777784430.63</b>		-
<b>b) Stores &amp; Spares including Packing Material consumed</b>				
Imported	8.38	5023823.00	-	-
Indigenous	91.62	54894248.00	-	-
		59918071.00		-
<b>c) High Seas Purchases (Paper)</b>		4020675.00		-
		<b>1841723176.63</b>		-
<b>NOTE 20.1 PARTICULARS OF MATERIALS CONSUMED</b>				
Particulars				
Waste Paper		212715790.00		-
Waste Paper-Imp.		1153027683.63		-
Iron Scrap-Imp.		47288481.00		-
Iron Scrap		113802689.00		-
Sponge Iron		134953290.00		-
Misc.		115996497.00		-
		<b>1777784430.63</b>		-
<b>NOTE 21 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
<b>Inventories (at commencement)</b>	-			
Add: on Scheme of arrangements [Refer Note No.34]				
-Finished Goods	81564030.00		-	
-Stock in Process	1565600.00		-	
	83129630.00		-	
<b>Inventories (at close)</b>				
-Finished Goods	111643992.00		-	
-Stock in Process	1937600.00		-	
	113581592.00	(30451962.00)	-	-
		(30451962.00)		-
Excise Duty on Increase/ (Decrease) of Finished Goods		2431875.00		-
		<b>(28020087.00)</b>		-

**NOTE 22 EMPLOYEES BENEFIT EXPENSES**

	31-03-14	31-03-13
Rupees	Rupees	Rupees
Salaries, wages & allowances	36124291.00	-
Contribution to Funds	1087554.00	-
Welfare exp.	175985.00	-
	<b>37387830.00</b>	-

22.1 Disclosure pursuant to Accounting Standard 15(Revised) Employee Benefits the following tables summaries the components of the net benefit expenses recognized in the Profit and Loss Account and the funds status and amount recognized in Balance Sheet.

**Profit and Loss Account**

Net employees benefit expenses(recognized in Personnel expenses)

	Defined Benefit Plan		Defined Benefit Plan	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	1028309.00	292149.00		
Interest on defined benefit obligation	153638.00	28751.00		
Expected return on plan assets				
Net actuarial losses/(gains) recognized in the year	-	-	-	-
Past service cost				
Actuarial(gain)/losses	(748829.00)	(147964.00)		
<b>Total included in 'Salaries, wages and allowances'</b>	<b>433118.00</b>	<b>172936.00</b>		

**Balance Sheet**

Details of Provisions for Gratuity and Leave Encashment:

Liability at the end of the year	2353597.00	532323.00		
Fair value of plan assets at the end of year				
Difference	2353597.00	532323.00		
Unrecognized past service cost				
Unrecognized transition liability				
<b>Amount in Balance Sheet</b>	<b>2353597.00</b>	<b>532323.00</b>		

Changes in the present value of the defined benefit obligation are as follows:

Liability on account of Scheme of Arrangement *	1920479.00	359387.00		
Interest cost	153638.00	28751.00		
Current service cost	1028309.00	292149.00		
Past service cost(non vested benefit)				
Past service cost(vested benefit)				
Benefits paid				
Actuarial(gain)/loss	(748829.00)	(147964.00)		
<b>Liability at the end of the year</b>	<b>2353597.00</b>	<b>532323.00</b>		

Principal actuarial assumptions at the Balance Sheet date:

Discount rate	8.00%	8.00%		
salary escalation	6.00%	6.00%		
Employee withdrawal rate	1-3%	1-3%		

\* [Refer to Note No.34]

**NOTE 23 FINANCE COST**

	31-03-14	31-03-13
Rupees	Rupees	Rupees
Interest on Working Capital Loan	38413566.44	-
Interest on Term Loan	9590093.68	-
Financial charges	2153427.75	-
Difference in exchange	6650363.00	-
	<b>56807450.87</b>	-



<b>NOTE 24 DEPRECIATION AND AMORTISATION EXPENSES</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Depreciation		72480758.00		-
Amortisation & Write offs		285964.00		-
		<b>72766722.00</b>		-
<b>NOTE 25 OTHER EXPENSES</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
<b>Manufacturing Expenses</b>				
Power & Fuel	380040274.00		-	
Repairs & maintenance (Plant & Machinery)	5881598.00		-	
Repairs & maintenance (Others)	768127.00		-	
Other expenses	2370058.09	389060057.09	-	-
<b>Establishment Expenses</b>				
Printing & stationery	567868.00		-	
Postage, telephone & telegram	1206234.00		-	
Travelling, conveyance & vehicle running exp.	2325006.12		-	
Auditors' remuneration	125000.00		-	
Insurance charges (net)*	3291171.00		-	
Legal & Professional charges	1265671.00		-	
Advertisement & Publicity	55261.00		-	
Security services	922984.00		-	
Rent	3070000.00		-	
Rates & taxes	1114803.00		-	
Rebate & discount	4512065.59		-	
Commission on Sales	8778928.00		-	
Freight & forwarding (outward)	12395620.00		-	
Misc.exp.	143499.03	39774110.74	-	-
		<b>428834167.83</b>		-
<b>NOTE 25.1 PAYMENT TO AUDITORS</b>				
Audit Fee		100000.00		-
Taxation		25000.00		-
		<b>125000.00</b>		-
* Charges for Marine Insurance are net of amount recovered on sales				
<b>NOTE 26 EARNINGS PER SHARE (BASIC &amp; DILUTED)</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
<b>a</b>	Net Earning	102955408.67		-
<b>b</b>	Cash Earning	175436166.67		-
<b>c</b>	Weighted Average No. of Equity Shares of Re. 1/- each (Nos)	257125940		-
	Weighted Average No. of Equity Shares after Dilution	257125940		-
<b>d</b>	Basic & Diluted Earning per share Annualised (Rs.)	0.40		-
<b>e</b>	Cash Earning (Basic & Diluted) per shares-Annualised (Rs.)	0.68		-

<b>NOTE 27 VALUE OF IMPORT ON CIF BASIS</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
<b>Imports during the year [CIF value]</b>				
Raw Material		865936276.00		-
Stores and Spares parts		1618448.00		-
Capital Goods		5777424.00		-
		873332148.00		-
<b>NOTE 28 EXPENDITURE IN FOREIGN CURRENCY</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
-Interest on foreign currency loan		2648794.12		-
-Travelling expenses		181176.00		-
		2829970.12		-
<b>NOTE 29 EARNINGS IN FOREIGN CURRENCY</b>				
		31-03-14		31-03-13
	Rupees	Rupees	Rupees	Rupees
Earning in Foreign currency		-		-
		-		-
<b>NOTE 30 CONTINGENT LIABILITIES AND COMMITMENTS</b>				
		31-03-14		31-03-13
<b>Contingent Liabilities not provided for in respect of :</b>		(Rs. In lac)		(Rs. In lac)
<b>a.</b>	Guarantees given by the Bankers on behalf of the Company(Net of margin money)	118.92		-
<b>b.</b>	Estimated amount of contract remaining to be executed on Capital account(Net)	-		-
<b>c.</b>	Letter of credit issued by Bank (Net of Margin money)	-		-
<b>d.</b>	Disputed demands under:			
	Sales Tax/Commercial Tax	17.45		-
	Factories Act	2.00		-
	Central Excise and Service Tax	38.34		-
<b>NOTE 31 DIRECTOR'S REMUNERATION</b>				
		31-03-14		31-03-13
Salaries to Managing and Whole Time Directors		12660000.00		-
<b>Computation of Managerial Remuneration:</b>				
Profit before tax as per Profit & Loss Account		131627729.67		-
Add: Director's Remuneration		12660000.00		-
		144287729.67		-
Less: Profit on sales of Fixed Assets		188040.00		-
Profit on sales of shares		8075000.00		-
Net Profit as per section 198 of the Companies Act, 1956		<b>136024689.67</b>		-
Maximum permissible remuneration to whole time directors under 198 of the Companies Act, 1956 @ 10% of the Profit computed above		13602468.97		-

**NOTE 32 RELATED PARTY DISCLOSURE**

Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below:

a. Key Management Personnel	: Ishwar Chandra Agarwal
	: Kailash Chandra Agarwal
	: Himanshu Agarwal
	: Rajendra Kumar Agarwal
	: Jitendra Kumar Agarwal
b. Relatives of Key Managerial Personnel	: Amit Agarwal (HUF)
	: Rajendra Kumar Agarwal (HUF)
c. Enterprises controlled by Key Management personnel and Individuals having significant influence	: Genus Power Infrastructure Ltd.
	: Genus Electrotech Ltd.
	: Kailash Coal and Coke Co. Ltd
	: Virtuous Urja Ltd.
	: J.C.Textile Pvt.Ltd.
	: Genus Innovation Ltd.
	: I.C.Finance Pvt Ltd.
	: Genus Apparels Ltd.
	: Hi-Print Electromack Pvt. Ltd.
	: Genus International Commodities Ltd.
	: Vivekshil Dealers Pvt. Ltd.
	: Jai Narain Bajrang Lal Todi Trust
d. Holding	: Genus Power Infrastructure Limited (Upto 10.1.2014)
e. Subsidiary	: Genus Prime Infra Limited
	: Sunima Trading Pvt. Limited *
	: Sansar Infrastructure Pvt. Limited *
	: Star Vanijya Pvt. Limited *
f. Associates	: Virtuous Paper & Urja Limited

\* Subsidiary Companies of Genus Prime Infra Ltd

S. No	Particulars		Subsidiary	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Where Significant Influence exist	Total
1	Sales & Services	2013-14	-	-	-	-	1567209.00	1567209.00
		2012-13	-	-	-	-	-	-
2	Interest and Other Income	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
3	Purchase of goods/Payment for other services	2013-14	-	-	-	-	14255299.00	14255299.00
		2012-13	-	-	-	-	-	-
4	Interest paid	2013-14	-	-	-	-	44370517.00	44370517.00
		2012-13	-	-	-	-	-	-
5..	Dividend received	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
6	Sale of Fixed Assets	2013-14	-	-	-	-	612000.00	612000.00
		2012-13	-	-	-	-	-	-
7	Outstanding Balances As on 31-03-2014							
	-Debtors	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
	-Creditors	2013-14	-	-	565300.00	-	101124.00	666424.00
		2012-13	-	-	-	-	-	-
	-Loans & advances	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
	-Unsecured Loan	2013-14	2200000.00	-	-	-	159155663.00	161355663.00
		2012-13	-	-	-	-	-	-
	-Investment	2013-14	-	-	-	-	(4800000.00)	(4800000.00)
		2012-13	-	-	-	-	-	-
8	Guarantees & collaterals	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
9	Remuneration to key managerial personnel	2013-14	-	-	12660000.0	-	-	12660000.00
		2012-13	-	-	-	-	-	-

**NOTE 33 SEGMENT REPORTING**

<b>a.</b>	Primary Segment Reporting ( by business segment)			
<b>1.</b>	Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organizational structure as well as the differential risk and returns of these segments. Detail of products included in each of the segments are as under:			
	Paper	Kraft Papar		
	Steel	M.S. Ingot		
<b>2.</b>	Information about Business Segments :			
<b>A</b>	<b>REVENUE</b>	Paper	Steel	Total
<b>1</b>	Gross Sales	2212145321.00	442399892.00	2654545213.00
		(-)	(-)	(-)
<b>2a</b>	Other income	-	-	-
		(-)	(-)	(-)
<b>2b</b>	Unallocated Other income			
	Other income	-	-	66515619.00
		(-)	(-)	(-)
	Total Other Income	-	-	66515619.00
		-	-	(-)
<b>3</b>	Total Revenue	2212145321.00	442399892.00	2721060832.00
		(-)	(-)	(-)
<b>B</b>	<b>RESULTS</b>			
<b>1</b>	Segment Result (PBIT)	181474408.96	6960771.58	188435180.54
		(-)	(-)	(-)
<b>2</b>	Interest and financial charges			56807450.87
				(-)
<b>3</b>	Profit from Ordinary activities			131627729.67
				(-)
<b>4</b>	Profit before Tax			131627729.67
				(-)
<b>5</b>	Provision for Current Tax			32066938.00
				(-)
<b>6</b>	Deferred Tax			(3394617.00)
				(-)
<b>7</b>	MAT Credit entitlement			-
				(-)
<b>8</b>	Profit after Tax			102955408.67
				(-)
<b>C</b>	<b>Other Information:</b>			
<b>1</b>	Segment Assets	2576456556.13	148836844.55	2725293400.68
		(-)	(-)	(-)
<b>2</b>	Unallocated Corporate Assets			1239141934.63
				(-)
<b>3</b>	Total Assets			3964435335.31
				(-)
<b>4</b>	Segment Liabilities	265384102.41	9295120.00	274679222.41
		(-)	(-)	(-)

<b>5</b>	<b>Unallocated Corporate Liabilities</b>			<b>663761607.88</b>
				(-)
<b>6</b>	<b>Total Liabilities</b>			<b>938440830.29</b>
				(-)
<b>7</b>	<b>Depreciation &amp; Amortization</b>	69519993.00	2960765.00	72480758.00
		(-)	(-)	(-)
<b>8</b>	<b>Significant Non Cash expenses other than</b>	-	-	-
	<b>Depreciation &amp; Amortization</b>			

Figures in ( ) represents Previous Year's amount

**b.** Secondary Segment Reporting (by geographic segment) - There is no different Geographical Segments, hence not given.

#### NOTE 34

1. The entire equity share capital of the Company upto 10.1.2014 was owned by GPIL and its nominees, pursuant to which the Company was a wholly owned subsidiary of GPIL till that date.

2. In terms of the scheme of arrangement under section 391 and 394 of the Companies Act, 1956 ("the Scheme) amongst Genus Power Infrastructures Limited ("GPIL"), the Company and Genus Paper Products Limited ("GPPL"), GPIL has re-organized and segregated by way of a demerger, its business and undertaking engaged in manufacturing and trading of all kinds and classes of papers and boards, steel and the undertaking of managing, supervising, controlling and making non power investments to the company. All the assets and liabilities are transferred to the Company pursuant to order of the Hon'ble High Court of judicature at Allahabad dated 29.10.2013 and the same has been filed with the Registrar of Companies on 29.11.2013 and the appointed date as per the Scheme is 1st April 2011.

#### As per the said scheme;

a. All the properties, investments, assets and liabilities related to Paper & Boards, Steel and Non Power Investment undertaking/divisions of GPIL are transferred and vested in the Company on a going concern basis with effect from 1.4.2011

b. The said transfer has been effected at the values appearing in the books of GPIL and recorded as such in the books of account of the Company. The value of assets over liabilities as on that date aggregates to Rs. 2722499996.00.

c. In consideration of the demerger, the Company has issued and allotted 256625940 equity shares to the shareholders of GPIL in the ratio of one equity share of face value of Re. 1/- each fully paid up in the Company for every one equity share of Re. 1/- each fully paid up held by the shareholders of GPIL ranking pari passu with the existing equity shares of the Company save and except in relation to dividends, if any, to which they may be entitled to, as and from the Appointed Date. The New Equity Shares of the Company issued on Demerger shall, subject to completion of applicable procedures, be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and shall remain frozen in the depositories system till listing/trading permission is given by the Bombay Stock and the National Stock Exchange of India Limited. Consequent to the allotment of the new shares as per the Scheme, the Company has ceased to be the subsidiary of GPIL.

d. Excess of net assets so recorded over the amount of share capital issued amounting to Rs. 2465874056.00 is recognized in these financial statements, and as stipulated in the Scheme, is disclosed as a free reserve with the nomenclature "Business Reconstruction Reserve".

e. As and from the Appointed Date and up to and including the Effective Date, GPPL (in relation to Paper & Boards and Steel Undertaking) and GPIL (in relation to Non Power Investment Undertaking) are deemed to have been carrying on all the business and activities on behalf of the Company and the profit for this period (Net of taxes, Deferred Tax and Minimum Alternate Tax credit) amounting to Rs. 200039100.35 is recognized in these financial statements as the profits and taxes of the Company.

**NOTE 35**

Financial information of Subsidiary Companies as required by order No. 47/355/2010-CL-III dated 14th May, 2010 of the Ministry of Corporate Affairs, Government of India, issued under section 212 (8) of the Companies Act, 1986 for the financial year 2013-14 are separately enclosed.

**NOTE 36**

1. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
2. The figures of current year incorporate the transactions specified in the scheme of arrangement as explained in Note no. 34 supra, which has vested with the company, and are therefore not compareable with those of the previous year.

**As per our report attached**

For Pradeep Hari & Co.  
Chartered Accountants  
Firm Regn. No. 006542C

Pradeep Kapoor  
Proprietor  
Membership No. 074491

Moradabad, July 18, 2014

for and on behalf of the Board

Kailash C. Agarwal  
Mg. Director  
DIN-00895365

Himanshu Agarwal  
Wt. Director  
DIN-00065185

Ankit Agarwal  
Company Secretary

## CONSOLIDATED FINANCIAL STATEMENTS Independent Auditor's Report

To,  
**The Board of Directors**  
Genus Paper & Boards Limited.

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Genus Paper & Boards Limited ("the Company"), which comprise the Consolidated Balance Sheet as at 31st March, 2014 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of cash flows for the year ended on that date.

### Other Matters

In respect of the financial statements of the subsidiary companies, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors. The details of assets, revenues and net cash flow in respect of these subsidiaries, to the extent to which they are reflected in the consolidated financial statements are given below:

<b>Audited by other auditors:</b>	(Amount in Rupees)		
	Total assets	Total revenues	Net cash inflow/Outflow
Subsidiaries	547935234.98	38166.00	5609806.98

For **Pradeep Hari & Co.**  
Chartered Accountants  
ICAI Firm registration no. 006542C

**Pradeep Kapoor**  
Proprietor  
Membership No. 074491  
Moradabad, July 23, 2014

<b>CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2014</b>			
		<b>31-03-14</b>	
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	257125940.00	
Reserves & Surplus	2	3002550334.75	3259676274.75
Minority Interest			<b>234282850.25</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	3	60668925.36	
Deferred Tax Liability	4	170485031.00	
Long Term Provisions	5	2885920.00	234039876.36
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	6	379491272.52	
Trade Payables	7	292379222.41	
Other Current Liabilities	8	110970555.00	
Short Term Provisions	9	1530520.00	784371569.93
<b>Total</b>			<b>4512370571.29</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	10		
Tangible Assets		1752602520.00	
Capital Work-in-Progress		121819787.00	1874422307.00
Non-Current Investments	11		548911495.65
Other Non Current Assets	12		789511000.00
<b>CURRENT ASSETS</b>			
Inventories	13	443470778.00	
Trade Receivables	14	415680096.68	
Cash and cash equivalents	15	69716881.60	
Short term loans and advances	16	368535301.36	
Other Current Assets	17	2122711.00	1299525768.64
<b>Total</b>			<b>4512370571.29</b>
<b>Significant Accounting Policies</b>	1 to		
<b>Notes on Financial Statement</b>	36		
<b>As per our report attached</b>			
For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C		for and on behalf of the Board	
		Kailash C. Agarwal Mg. Director DIN-00895365	
Pradeep Kapoor Proprietor Membership No. 074491		Himanshu Agarwal Wt. Director DIN-00065185	
Moradabad, July 23, 2014		Ankit Agarwal Company Secretary	



<b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH, 2014</b>			
	<b>Note</b>	<b>31-03-14</b>	
<b>INCOME</b>		<b>Rupees</b>	<b>Rupees</b>
Revenue from Operations	18	2654545213.00	
Less: Excise Duty		179933842.00	2474611371.00
Other income	19		66553785.00
<b>Total Revenue</b>			<b>2541165156.00</b>
<b>EXPENDITURE</b>			
Purchases/Consumption of Material	20		1841723176.63
Change in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21		(28020087.00)
Employees Benefit Expenses	22		37595159.00
Finance Cost	23		56809731.87
Depreciation & Amortisation Expenses	24		72766722.00
Other Expenses	25		429288954.83
<b>Total Expenses</b>			<b>2410163657.33</b>
Profit/(Loss) before Taxation			<b>131001498.67</b>
<b>Tax Expenses</b>			
Current tax			32066938.00
Deferred tax			(3394617.00)
Profit for the year (before adjusting for Minority Interest)			<b>102329177.67</b>
<b>Less: Minority Share</b>			(268966.21)
Profit for the year (after adjusting for Minority Interest)			<b>102598143.88</b>
Earning Per Equity Share (Face value Re. 1/- each)	26		
<b>-Basic &amp; Diluted (in Rupees)</b>			<b>0.40</b>
<b>Significant Accounting Policies</b>	1 to		
<b>Notes on Financial Statement</b>	36		
<b>As per our report attached</b>			
For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C		for and on behalf of the Board	Kailash C. Agarwal Mg. Director DIN-00895365
Pradeep Kapoor Proprietor Membership No. 074491			Himanshu Agarwal Wt. Director DIN-00065185
Moradabad, July 23, 2014			Ankit Agarwal Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2013-14		
	31-03-14	
	Rupees	Rupees
<b>A. Cash Flow from Operating Activities</b>		
a. <b>Net profit before tax and exceptional item</b>	131001498.67	
<b>Adjustments for:</b>		
Depreciation	72480758.00	
Interest expenses	56809731.87	
Interest income	(57706767.00)	
Dividend income	(426278.00)	
Profit on sale of fixed assets	(188040.00)	
Profit on sale of Shares	(8075000.00)	
Preliminary expenses written off	285964.00	
b. <b>Operating profit before working capital changes</b>	194181867.54	
<b>Adjustments for:</b>		
Trade and Other Receivables	(105389147.68)	
Inventories	(73284217.00)	
Other current assets	278894250.97	
Current liabilities & provisions	194622933.41	
c. <b>Cash generated from Operations</b>	489025687.24	
Direct Taxes paid (Net)	(32066938.00)	
Cash from operating activities	456958749.24	
<b>Net Cash from Operating Activities</b>		<b>456958749.24</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(128321417.00)	
Sale of fixed assets	875001.00	
Sale (Purchase) of Investments (Net)	(76025935.65)	
Interest received	57706767.00	
Dividend received	426278.00	
<b>Net Cash from / (used in) investing activities</b>		<b>(145339306.65)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from issuance of share capital/app. money	-	
Proceeds from borrowings	(192071029.12)	
Repayments of borrowings	(40399000.00)	
Interest paid	(56809731.87)	
Dividend paid (includes corporate dividend tax)	-	
<b>Net Cash from / (used in) financing activities</b>		<b>(289279760.99)</b>
<b>D. Net increase/(Decrease) in cash and cash equivalent</b>		<b>22339681.60</b>
Cash and Cash equivalent at beginning of the year		2623338.00
Add: On Scheme of arrangement [Refer to Note 34]		44753862.00
<b>Cash and Cash equivalent at end of the year</b>		<b>69716881.60</b>
<b>(Cash and Cash equivalent represent Cash and Bank balances)</b>		<b>22339681.60</b>
<b>Note: Transaction arising out of scheme of arrangement as stated in note 34 is a non cash transaction, save as stated above and not considered in above cash flow workings.</b>		
<b>As per our report attached</b>		
For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C		for and on behalf of the Board  Kailash C. Agarwal Mg. Director DIN-00895365
Pradeep Kapoor Proprietor Membership No. 074491		Himanshu Agarwal Wt. Director DIN-00065185
Moradabad, July 23, 2014		Ankit Agarwal Company Secretary

## Significant accounting Policies

### 1. Principles of Consolidation

- (i) The Financial Statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- (ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iii) Minority interest in the net assets of the subsidiary consists of the amount of equity, preference attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, preference, subsequent to the date of investments attributable to their equity, preference.
- (iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

### 2. Basis of preparation of financial statements

The financial statements have been prepared on accrual basis following the historical cost convention in accordance with the Accounting Standards referred to in section 211 (3C) and other requirements of the Companies Act, 1956.

### 3. Use of Estimates

The preparation of financial statement requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the results and estimates are recognized in the period in which the results are known / materialized.

### 4. Revenue Recognition

- (i) Revenue from sale of products is recognized when the risk and reward of ownership of the product is passed on to the customers, which is generally on dispatch of goods. Sales are stated exclusive of Sale/Trade tax
- (ii) Dividend income is recognized when the unconditional right to receive the income is established.
- (iii) Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

### 5. Fixed Assets

Fixed Assets are stated at cost net of CENVAT, less accumulated depreciation. Cost of acquisition is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs. To adjust the original cost of Fixed Assets acquired through foreign currency loans at the end of each financial year by any change in liability arising out of expressing the outstanding foreign loan at the rate of exchange prevailing at the date of Balance Sheet.

### 6. Depreciation

Depreciation on the assets has been provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956 as amended. Depreciation on revalued assets has been charged from revaluation reserve.

### 7. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period as reversed if there has been a change in the estimate of recoverable amount.

### 8. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction or at the rates covered by the forward contracts. The exchange differences on conversion are adjusted to:

- a. Cost of Fixed Assets, if the foreign currency liability relates to the fixed assets.
- a. Cost of Raw Material & Chemicals, if the foreign currency liability relates to these items.

b. Bank charges, if the foreign currency liability relates to conversion of bank's credit facility into foreign currency.

#### **9. Investments**

Long term Investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary in opinion of the management.

#### **10. Inventories**

Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, Stores & Spares are valued at cost, determined on the basis of the weighted average method.

Work-in-progress is valued at the lower of cost and net realizable value.

Finished goods are valued at the lower of cost and net realizable value. Excise duty is included in the value of finished goods inventory.

#### **11. Preliminary Expenses**

Preliminary expenses (including the expenses for enhancement of Authorised capital) have been amortized over a period of five years.

#### **12. Retirement benefits**

Company's contributions to Provident Fund are charged to Profit & Loss Account on accrual basis. Liability for payment of Gratuity and Leave Encashment is charged to Profit & Loss Account on the basis of Actuarial valuation as at year end.

#### **13. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **14. Provision for Current Tax & Deferred Tax**

Provision for current tax is made, which is likely to arise on the results for the year at the current rate of tax in accordance with the provisions of the Income Tax Act, 1961, Deferred tax is computed in accordance with Accounting Standard 22- "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India,

#### **15. Accounting of CENVAT Credit**

Cenvat credit available on raw material, chemicals, stores & spares is accounted for by booking respective material purchases, net of excise duty, similarly Cenvat Credit entitlement on Capital goods, net of excise. Both these Cenvat Credits are accumulated and shown as receivable under "Loans and Advances" for adjustments in due course against duty payable on dispatch of finished goods.

#### **16. Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Notes on Financial Statements:**

<b>NOTE 1 SHARE CAPITAL</b>			31-03-14
		Rupees	Rupees
<b>AUTHORIZED</b>			
260000000 Equity Shares of Re.1/-each (1000000)			260000000.00
			260000000.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
257125940 Equity Shares of Rs. 1/- each fully paid up (500000)			257125940.00
# refer to Note 34 (1) and (2 C)			
			<b>257125940.00</b>
The details of Shareholders holding more than 5 % shares :			
		As at	
Name of Shareholder		31st March, 2014	
		No. of Shares	% held
Genus Power Infrastructures Ltd. (Along with its nominees)		-	-
Mr. Kailash Chand Agarwal	13298366		5.17
Vivekshil Dealers Private Ltd.	23736757		9.23
Mr. Mondip Kumar Tamuly	47543850		18.49
The reconciliation of the number of Equity shares outstanding is set out below :			
			As at
Particulars			31st March, 2014
			No. of Shares
Equity Shares at the beginning of the year			500000
Add: Shares issued during the year			256625940
Equity Shares at the closing of the year			<b>257125940</b>
<b>NOTE 2 RESERVES &amp; SURPLUS</b>			
			31-03-14
		Rupees	Rupees
<b>Capital Reserve</b>			
Capital Reserve			233089839.79
<b>Profit &amp; Loss Account</b>			
Add: On scheme of arrangement #	200988295.08		
Add: Profit for the year	102598143.88		303586438.96
# [Refer Note No. 34 (2 e)]			
<b>Business Reconstruction Reserve</b>			
Add: On scheme of arrangement [Refer Note No. 34 (2d)]			2465874056.00
			<b>3002550334.75</b>
<b>NOTE 3 LONG TERM BORROWINGS</b>			
			31-03-14
		Rupees	Rupees
		Current	Non-current
From Banks - Secured			
Rupee Loans	53284000.00		23468925.36
From Others - Unsecured			
-Other Parties	-		37200000.00
	<b>53284000.00</b>		<b>60668925.36</b>

<b>Securities</b>	
<b>1(a)</b>	Term loan from SBI -INR Rs. Nil are secured by exclusive first charge on entire fixed assets of the company other than fixed assets of Paper & particle board division save and except assets charged to PNB to rank "paripassu" between lenders at 2 and/ or 3 and further secured by securities mentioned at 2 below on "paripassue" basis.
<b>(b)</b>	The above facilities are further secured by first charge on Land, Building and Plant & machinery of steel division, land & building of administrative block and residential colony save and except first "paripassu" charge on certain personal assets of promoters and directors.
<b>2.</b>	Term loan from PNB Rs.74217406.00 are secured by hypothecation of Plant & Machinery, equipments, tools etc. (existing / future of paper & board division save and except assets charged to banks to rank paripassu between lenders at 1.
<b>3.</b>	Term loan of Rs. 451726.36 from HDFC Bank are secured by hypothecation of vehicles.
<b>4.</b>	Term loan of Rs. 48326.00 from State Bank of India are secured by hypothecation of vehicles.
<b>5.</b>	Term loan of Rs. 2035467.00 from Punjab National Bank are secured by hypothecation of vehicles.
<b>NOTE 4 DEFERRED TAX LIABILITY</b>	
	31-03-14
	Rupees Rupees
<b>Deferred Tax Liability</b>	
Related to fixed assets	173879648.00
<b>Deferred Tax Asset</b>	
Disallowance under Income tax Act, 1961	3394617.00
<b>Net Deferred Tax Liability</b>	<b>170485031.00</b>
	Rupees
Opening Balance	-
Add: Deferred Tax Liability on scheme of arrangement #	179323783.00
Less: Deferred Tax Assets related to fixed assets of subsidiary companies	5444135.00
Less: Deferred Tax Assets during the year	3394617.00
Balance as on 31-03-2014	<b>170485031.00</b>
# [Refer Note No. 34]	
<b>NOTE 5 LONG TERM PROVISIONS</b>	
	31-03-14
	Rupees Rupees
Provision for Employees Benefits	2885920.00
	<b>2885920.00</b>
<b>NOTE 6 SHORT TERM BORROWINGS</b>	
	31-03-14
	Rupees Rupees
From Banks - Secured	
Rupee Loans	379491272.52
From Others - Unsecured	
- Other Parties	-
	<b>379491272.52</b>
<b>Securities</b>	
<b>1(a)</b>	Working Capital Loan INR Rs. 222085488.63 are secured by exclusive first charge by way of hypothecation of entire current assets (existing & future) including all stocks & receivables pertaining to steel division and co-gen. power plant of the company save and except assets charged to PNB to rank paripassu between lenders at 2. Further secured by securities mentioned at 2 below on paripassue basis.

(b)	The above facilities are further secured by first charge on Land, Building and Plant & machinery of steel division, land & building of administrative block and residential colony save and except first "paripassu" charge on certain personal assets of promoters and directors.
2.	Working Capital Loan from PNB Rs. 97222808.89 are secured by hypothecation of entire current assets (present & future) of the Multi-layered kraft paper unit save and except assets charged to bank to rank "paripassu" between lenders at para 1.

**NOTE 7 TRADE PAYABLES**

		31-03-14
	Rupees	Rupees
Sundry Creditors		
-Due to Micro, Small & Medium Enterprises	-	
-Due to Others	292379222.41	292379222.41
		<b>292379222.41</b>

**NOTE 8 OTHER CURRENT LIABILITIES**

		31-03-14
	Rupees	Rupees
Current maturities of long term debt (Refer Note No. 03)		53284000.00
Others		
-Creditors for Capital Expenditure	14296213.00	
-Payable to Others	2306155.00	
-Salaries & benefits	3262721.00	
-Provision for expenses	21498909.00	
-Withholding and Other tax payable	15661386.00	
-Advance from customers	661171.00	57686555.00
		<b>110970555.00</b>

**NOTE 9 SHORT TERM PROVISIONS**

		31-03-14
	Rupees	Rupees
<b>PROVISIONS</b>		
For Employees Benefits	463673.00	
For Others		
-Provision for Income tax (net of prepaid taxes)	969000.00	
-Others	97847.00	1530520.00
		<b>1530520.00</b>

NOTE 10 FIXED ASSETS AS AT 31-03-2014												
	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	As at	Additions		Deductions/	As at	As at	Additions	For	Adjustments	As at	As at	As at
	1-4-13	[Refer Note A]	during the year	Transfer	31-03-14	1-4-13	[Refer Note A]	the period		31-03-14	31-03-14	31-3-13
Tangible Assets												
Land	8241281.00	547444186.00	-	-	555685467.00	-	-	-	-	-	555685467.00	8241281.00
[Refer Note B]												
Residential Building	-	17215300.00	-	-	17215300.00	-	561218.00	280609.00	-	841827.00	16373473.00	-
[Refer Note B]												
Factory Building	-	78991600.00	-	-	78991600.00	-	5276638.00	2638319.00	-	7914957.00	71076643.00	-
[Refer Note B]												
Plant & Machinery	-	1261788423.00	3076317.00	442001.00	1264422739.00	-	112828034.00	66712877.00	64003.00	179476908.00	1084945831.00	-
Furniture & fixtures	-	5071648.00	785475.00	-	5857123.00	-	368508.00	347719.00	-	716227.00	5140896.00	-
Computers	-	1059116.00	392731.00	-	1451847.00	-	316881.00	202877.00	-	519758.00	932089.00	-
Vehicles	-	22767368.00	2247107.00	425000.00	24589475.00	-	3959034.00	2298357.00	116037.00	6141354.00	18448121.00	-
[Refer Note B]												
Sub Total (A)	<b>8241281.00</b>	<b>1934337641.00</b>	<b>6501630.00</b>	<b>867001.00</b>	<b>1948213551.00</b>	-	<b>123310313.00</b>	<b>72480758.00</b>	<b>180040.00</b>	<b>195611031.00</b>	<b>1752602520.00</b>	<b>8241281.00</b>
Capital W I P	-	-	121819787.00	-	121819787.00	-	-	-	-	-	121819787.00	-
Sub Total (B)	-	-	121819787.00	-	121819787.00	-	-	-	-	-	121819787.00	-
Total (A+B)	<b>8241281.00</b>	<b>1934337641.00</b>	<b>128321417.00</b>	<b>867001.00</b>	<b>2070033338.00</b>	-	<b>123310313.00</b>	<b>72480758.00</b>	<b>180040.00</b>	<b>195611031.00</b>	<b>1874422307.00</b>	<b>8241281.00</b>
Note A:	Additions represent assets acquired pursuant to Scheme of Arrangement. (refer to note 34)											
B:	Assets acquired pursuant to the Scheme of Arrangement are being transferred in the name of Company.											



<b>NOTE 11 NON CURRENT INVESTMENT</b>		31-03-14
	Rupees	Rupees
<b>Other Investment</b>		
<b>In Equity Shares - Quoted, fully paid up</b>		
195139 Gujrat Heavy Chemicals Ltd. of Rs. 10/- each		7805559.65
<b>In Equity Shares - Unquoted, fully paid up</b>		
<b>A. Associates</b>		
17600 Virtuuous Paper & Urja Ltd. of Rs. 10/- each		176000.00
<b>B. Others</b>		
279500 Genus Electrotech Ltd. of Rs.10/- each	17500000.00	
3638621 Virtuuous Urja Ltd. of Rs. 10/- each	52400000.00	
12500 Virtuuous Infra Ltd. of Rs. 10/- each	125000.00	
10000 Indo Global Papers Ltd. of Rs. 10/- each	100000.00	
800 Rajasthan Assets Management Co. Pvt Ltd. of Rs. 10/- each	80000.00	
400000 Cube Fintex Pvt Ltd. of Rs. 10/- each	40000000.00	
477000 Kailash Coal & Coke Co. Ltd. of Rs. 10/- each	11925000.00	
1124000 Shares Vivekshil Dealers Pvt Ltd of Rs. 10/- each	221800000.00	
300000 Shares Professional Fashion & Mgnt Pvt Ltd of Rs. 10/- each	3000000.00	
46979 Shares Genus Innovation Ltd. of Rs. 10/- each	3499936.00	
5375 Shares J.C.Textiles Pvt. Ltd. of Rs. 10/- each	8600000.00	359029936.00
<b>In Preference Shares - Unquoted, fully paid up</b>		
430000 Shares Virtuuous Urja Ltd. of Rs. 100/- each	82000000.00	
1140000 Shares Genus Apparels Pvt. Ltd. of Rs. 10/- each	11400000.00	
155000 Shares Genus International Commodities Ltd. of Rs. 100/- each	15500000.00	
600000 Shares Kailash Industries Ltd. of Rs. 100/- each	60000000.00	
130000 Shares Kailash Vidut & Ispat Ltd. of Rs. 100/- each	13000000.00	181900000.00
		<b>548911495.65</b>
<b>Aggregate value of quoted investment</b>		
Book Value	7805559.65	
Market Value	6644482.95	
<b>Aggregate value of unquoted investment</b>		
Book Value	541105936.00	

<b>NOTE 12 OTHER NON CURRENT ASSETS</b>		
		31-03-14
	Rupees	Rupees
Loan & Advances		788367142.00
Miscellaneous expenditure (to the extent not written off or adjusted)		1143858.00
		<b>789511000.00</b>
<b>NOTE 13 INVENTORIES</b>		
		31-03-14
	Rupees	Rupees
Raw Materials & Chemicals	155861230.00	
Finished Goods	111643992.00	
Stock in Trade	38500.00	
Stock in Process	1937600.00	
Stores & spares	173989456.00	443470778.00
		<b>443470778.00</b>
<b>NOTE 14 TRADE RECEIVABLES</b>		
		31-03-14
	Rupees	Rupees
Sundry Debtors (Unsecured, Considered Good)		
-due for more than six months	3432572.00	
-others	412247524.68	415680096.68
		<b>415680096.68</b>
<b>NOTE 15 CASH AND CASH EQUIVALENTS</b>		
		31-03-14
	Rupees	Rupees
Cash in hand	3392053.71	
With Banks		
-on current account	23019076.89	
-on term deposit	43305751.00	69716881.60
		<b>69716881.60</b>
<b>NOTE 16 SHORT TERM LOANS AND ADVANCES</b>		
		31-03-14
	Rupees	Rupees
Unsecured - (Considered Good Unless Otherwise Advances recoverable in cash or kind or for value to be received	252990597.16	
Security Deposits	5580350.00	
Balance with Revenue Authorities	74207797.20	
MAT Credit Entitlement	35756557.00	368535301.36
		<b>368535301.36</b>

<b>NOTE 17 OTHER CURRENT ASSETS</b>		
		31-03-14
	Rupees	Rupees
Accrued interest on term deposits		2122711.00
		<b>2122711.00</b>
<b>NOTE 18 REVENUE FROM OPERATION</b>		
		31-03-14
	Rupees	Rupees
Sale of Products		
Layer Kraft Paper	1572192066.00	
Kraft Paper	635791212.00	
Waste Fiber Sheet	60955.00	
M.S.Ingot/ Runner Riser	442399892.00	
High Seas Sales (Paper)	4101088.00	2654545213.00
		<b>2654545213.00</b>
<b>NOTE 19 OTHER INCOME</b>		
		31-03-14
	Rupees	Rupees
Interest received from Bank		4195218.00
Interest income received from Others		53511549.00
Dividend from Investments		426278.00
Misc. receipts		157700.00
Profit on Sale of Fixed Assets		188040.00
Profit on Sale of investments		8075000.00
		<b>66553785.00</b>
<b>NOTE 20 PURCHASES / CONSUMPTION OF MATERIAL</b>		
		31-03-14
<b>a)</b> Raw Materials including chemicals consumed	% of Consumption	Rupees
Imported	67.52	1200316164.63
Indigenous	32.48	577468266.00
		1777784430.63
<b>b)</b> Stores & Spares including Packing Material consumed		
Imported	8.38	5023823.00
Indigenous	91.62	54894248.00
		59918071.00
<b>c)</b> High Seas Purchases (Paper)		4020675.00
		<b>1841723176.63</b>
<b>NOTE 20.1 PARTICULARS OF MATERIALS CONSUMED</b>		
Particulars		
Waste Paper		212715790.00
Waste Paper-Imp.		1153027683.63
Iron Scrap-Imp.		47288481.00
Iron Scrap		113802689.00
Sponge Iron		134953290.00
Misc.		115996497.00
		<b>1777784430.63</b>

**NOTE 21 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE**

	Rupees	31-03-14 Rupees
Inventories (at commencement)	-	
Add: on Scheme of arrangements [Refer Note No.34]		
-Finished Goods	81564030.00	
-Stock in Trade-Shares	38500.00	
-Stock in Process	1565600.00	
	83168130.00	
Inventories (at close)		
-Finished Goods	111643992.00	
-Stock in Trade-Shares	38500.00	
-Stock in Process	1937600.00	
	113620092.00	(30451962.00)
		(30451962.00)
Excise Duty on Increase/ (Decrease) of Finished Goods		2431875.00
		<b>(28020087.00)</b>

**NOTE 22 EMPLOYEES BENEFIT EXPENSES**

	Rupees	31-03-14 Rupees
Salaries, wages & allowances		36331620.00
Contribution to Funds		1087554.00
Welfare exp.		175985.00
		<b>37595159.00</b>

**22.1** Disclosure pursuant to Accounting Standard 15(Revised) Employee Benefits the following tables summaries the components of the net benefit expenses recognized in the Profit and Loss Account and the funds status and amount recognized in Balance Sheet.

Profit and Loss Account		
Net employees benefit expenses(recognized in Personnel expenses)		
	Defined Benefit Plan	
	Gratuity	Leave Encashment
Current service cost	1028309.00	292149.00
Interest on defined benefit obligation	153638.00	28751.00
Expected return on plan assets		-
Net actuarial losses/(gains) recognized in the year		-
Past service cost		-
Actuarial(gain)/losses	(748829.00)	(147964.00)
Total included in 'Salaries, wages and allowances'	433118.00	172936.00
Balance Sheet		
Details of Provisions for Gratuity and Leave Encashment:		
Liability at the end of the year	2353597.00	532323.00
Fair value of plan assets at the end of year		-
Difference	2353597.00	532323.00
Unrecognized past service cost		-
Unrecognized transition liability		-
Amount in Balance Sheet	2353597.00	532323.00
Changes in the present value of the defined benefit obligation are as follows:		
Liability on account of Scheme of Arrangement *	1920479.00	359387.00
Interest cost	153638.00	28751.00
Current service cost	1028309.00	292149.00

<b>Past service cost(non vested benefit)</b>		-
Past service cost(vested benefit)		-
Benefits paid		-
Actuarial(gain)/loss	(748829.00)	(147964.00)
Liability at the end of the year	2353597.00	532323.00
Principal actuarial assumptions at the Balance Sheet date:		
Discount rate	8.00%	8.00%
salary escalation	6.00%	6.00%
Employee withdrawal rate	1-3%	1-3%
* [Refer to Note No.34]		
<b>NOTE 23 FINANCE COST</b>		
		31-03-14
	Rupees	Rupees
Interest on Working Capital Loan		38413566.44
Interest on Term Loan		9590093.68
Financial charges		2155708.75
Difference in exchange		6650363.00
		<b>56809731.87</b>
<b>NOTE 24 DEPRECIATION AND AMORTISATION EXPENSES</b>		
		31-03-14
	Rupees	Rupees
Depreciation		72480758.00
Amortisation & Write offs		285964.00
		<b>72766722.00</b>
<b>NOTE 25 OTHER EXPENSES</b>		
		31-03-14
	Rupees	Rupees
Manufacturing Expenses		
Power & Fuel	380040274.00	
Repairs & maintenance (Plant & Machinery)	5881598.00	
Repairs & maintenance (Others)	768127.00	
Other expenses	2370058.09	389060057.09
Establishment Expenses		
Printing & stationery	595801.00	
Postage, telephone & telegram	1273086.00	
Travelling, conveyance & vehicle running exp.	2327329.12	
Auditors' remuneration	175090.00	
Insurance charges (net)*	3291171.00	
Legal & Professional charges	1335695.00	
Advertisement & Publicity	110762.00	
Security services	922984.00	
Rent	3070000.00	
Rates & taxes	1116803.00	
Rebate & discount	4512065.59	
Commission on Sales	8778928.00	
Freight & forwarding (outward)	12395620.00	
Accounting Charges	162000.00	
Misc.exp.	161563.03	40228897.74
		<b>429288954.83</b>

<b>NOTE 25.1 PAYMENT TO AUDITORS</b>		
		31-03-14
	Rupees	Rupees
	Audit Fee	138590.00
	Reimbursement of Expenses	11500.00
	Taxation	25000.00
		<b>175090.00</b>
	* Charges for Marine Insurance are net of amount recovered on sales	
<b>NOTE 26 EARNINGS PER SHARE (BASIC &amp; DILUTED)</b>		
		31-03-14
	Rupees	Rupees
<b>a</b>	Net Earning	102598143.88
<b>b</b>	Cash Earning	175078901.88
<b>c</b>	Weighted Average No. of Equity Shares of Re. 1/- each (Nos)	257125940
	Weighted Average No. of Equity Shares after Dilution	257125940
<b>d</b>	Basic & Diluted Earning per share Annualised (Rs.)	0.40
<b>e</b>	Cash Earning (Basic & Diluted) per shares-Annualised (Rs.)	0.68
<b>NOTE 27 VALUE OF IMPORT ON CIF BASIS</b>		
		31-03-14
	Rupees	Rupees
	Imports during the year [CIF value]	
	Raw Material	865936276.00
	Stores and Spares parts	1618448.00
	Capital Goods	5777424.00
		<b>873332148.00</b>
<b>NOTE 28 EXPENDITURE IN FOREIGN CURRENCY</b>		
		31-03-14
	Rupees	Rupees
	-Interest on foreign currency loan	2648794.12
	-Travelling expenses	181176.00
		<b>2829970.12</b>
<b>NOTE 29 EARNINGS IN FOREIGN CURRENCY</b>		
		31-03-14
	Rupees	Rupees
	Earning in Foreign currency	-
<b>NOTE 30 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
		31-03-14
	Contingent Liabilities not provided for in respect of :	(Rs. In lac)
<b>a.</b>	Guarantees given by the Bankers on behalf of the Company(Net of margin money)	118.92
<b>b.</b>	Estimated amount of contract remaining to be executed on Capital account(Net)	-
<b>c.</b>	Letter of credit issued by Bank(Net of Margin money)	-

d.	Disputed demands under:	
	Sales Tax/Commercial Tax	17.45
	Factories Act	2.00
	Central Excise and Service Tax	38.34

#### NOTE 31 DIRECTOR'S REMUNERATION

		31-03-14
	Salaries to Managing and Whole Time Directors	12660000.00
	Computation of Managerial Remuneration:	
	Profit before tax as per Profit & Loss Account	131001498.67
	Add: Director's Remuneration	12660000.00
		143661498.67
	Less: Profit on sales of Fixed Assets	188040.00
	Profit on sales of shares	8075000.00
	Net Profit as per section 198 of the Companies Act, 1956	<b>135398458.67</b>
	Maximum permissible remuneration to whole time directors under section 198 of the Companies Act, 1956 @ 10% of the Profit computed above	13539845.87

#### NOTE 32 RELATED PARTY DISCLOSURE

Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below:

a. Key Management Personnel	: Ishwar Chandra Agarwal
	: Kailash Chandra Agarwal
	: Himanshu Agarwal
	: Rajendra Kumar Agarwal
	: Jitendra Kumar Agarwal
b. Relatives of Key Managerial Personnel	: Amit Agarwal (HUF)
	: Rajendra Kumar Agarwal (HUF)
c. Enterprises controlled by Key Management personnel and Individuals having significant influence	: Genus Power Infrastructure Ltd.
	: Genus Electrotech Ltd.
	: Kailash Coal and Coke Co. Ltd
	: Virtuous Urja Ltd.
	: J.C.Textile Pvt.Ltd.
	: Genus Innovation Ltd.
	: I.C.Finance Pvt Ltd.
	: Genus Apparels Ltd.
	: Hi-Print Electromack Pvt. Ltd.
	: Genus International Commodities Ltd.
	: Vivekshil Dealers Pvt. Ltd.
	: Jai Narain Bajrang Lal Todi Trust
d. Holding	: Genus Power Infrastructure Limited (Upto 10.1.2014)
e. Associates	: Virtuous Paper & Urja Limited

Related Party Transactions:								
S. No.	Particulars		Subsidiary	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Where Significant Influence exist	Total
1	Sales & Services	2013-14	-	-	-	-	1567209.00	1567209.00
		2012-13	-	-	-	-	-	-
2	Interest and Other Income	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
3	Purchase of goods/Payment for other services	2013-14	-	-	-	-	14255299.00	14255299.00
		2012-13	-	-	-	-	-	-
4	Interest paid	2013-14	-	-	-	-	44370517.00	44370517.00
		2012-13	-	-	-	-	-	-
5..	Dividend received	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
6	Sale of Fixed Assets	2013-14	-	-	-	-	612000.00	612000.00
		2012-13	-	-	-	-	-	-
7	Outstanding Balances							
	As on 31-03-2014							
	-Debtors	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
	-Creditors	2013-14	-	-	565300.00	-	101124.00	666424.00
		2012-13	-	-	-	-	-	-
	-Loans & advances	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
	-Unsecured Loan	2013-14	2200000.00	-	-	-	159155663.00	161355663.00
		2012-13	-	-	-	-	-	-
	-Investment	2013-14	-	-	-	-	6600000.00	6600000.00
		2012-13	-	-	-	-	-	-
8	Guarantees & collaterals	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
9	Remuneration to key managerial personnel	2013-14	-	-	12660000.00	-	-	12660000.00
		2012-13	-	-	-	-	-	-



<b>NOTE 33 SEGMENT REPORTING</b>				
<b>a.</b>	Primary Segment Reporting ( by business segment)			
<b>1.</b>	Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organizational structure as well as the differential risk and returns of these segments. Detail of products included in each of the segments are as under:			
	Paper		Kraft Paper	
	Steel		M.S. Ingot	
<b>2.</b>	Information about Business Segments :			
<b>A</b>	REVENUE		Paper	Steel
<b>1</b>	Gross Sales		2212145321.00	442399892.00
				2654545213.00
<b>2a</b>	Other income		-	-
<b>2b</b>	Unallocated Other income			
	Other income		-	-
				66553785.00
	Total Other Income		-	-
				66553785.00
<b>3</b>	Total Revenue		2212145321.00	442399892.00
				2721098998.00
<b>B</b>	RESULTS			
<b>1</b>	Segment Result (PBIT)		181474408.96	6960771.58
				188435180.54
<b>2</b>	Unallocated Segment Result (PBIT)			(623950.00)
<b>2</b>	Interest and financial charges			56809731.87
<b>3</b>	Profit from Ordinary activities			131001498.67
<b>4</b>	Profit before Tax			131001498.67
<b>5</b>	Provision for Current Tax			32066938.00
<b>6</b>	Deferred Tax			(3394617.00)
<b>7</b>	MAT Credit entitlement			-
<b>8</b>	Profit after Tax			102329177.67
<b>C</b>	Other Information:			
<b>1</b>	Segment Assets		2576495056.13	148836844.55
				2725331900.68
<b>2</b>	Unallocated Corporate Assets			1787038670.61
<b>3</b>	Total Assets			4512370571.29

<b>4</b>	<b>Segment Liabilities</b>		<b>265384102.41</b>	<b>9295120.00</b>	<b>274679222.41</b>
<b>5</b>	Unallocated Corporate Liabilities				743732223.88
<b>6</b>	Total Liabilities				1018411446.29
<b>7</b>	Depreciation & Amortization		69519993.00	2960765.00	72480758.00
<b>8</b>	Significant Non Cash expenses other than Depreciation & Amortization		-	-	-
	Figures in ( ) represents Previous Year's amount				
<b>b.</b>	Secondary Segment Reporting (by geographic segment) - There is no different Geographical Segments, hence not given.				
<b>NOTE 34</b>					
	1. The entire equity share capital of the Company upto 10.1.2014 was owned by GPIL and its nominees, pursuant to which the Company was a wholly owned subsidiary of GPIL till that date.				
	2. In terms of the scheme of arrangement under section 391 and 394 of the Companies Act, 1956 ("the Scheme) amongst Genus Power Infrastructures Limited ("GPIL"), the Company and Genus Paper Products Limited ("GPPL"), GPIL has re-organized and segregated by way of a demerger, its business and undertaking engaged in manufacturing and trading of all kinds and classes of papers and boards, steel and the undertaking of managing, supervising, controlling and making non power investments to the company. All the assets and liabilities are transferred to the Company pursuant to order of the Hon'ble High Court of judicature at Allahabad dated 29.10.2013 and the same has been filed with the Registrar of Companies on 29.11.2013 and the appointed date as per the Scheme is 1st April 2011.				
	As per the said scheme;				
	a. All the properties, investments, assets and liabilities related to Paper & Boards, Steel and Non Power Investment undertaking/divisions of GPIL are transferred and vested in the Company on a going concern basis with effect from 1.4.2011				
	b. The said transfer has been affected at the values appearing in the books of GPIL and recorded as such in the books of account of the Company. The value of assets over liabilities as on that date aggregates to Rs. 2722499996.00.				
	c. In consideration of the demerger, the Company has issued and allotted 256625940 equity shares to the shareholders of GPIL in the ratio of one equity share of face value of Re. 1/- each fully paid up in the Company for every one equity share of Re. 1/- each fully paid up held by the shareholders of GPIL ranking pari passu with the existing equity shares of the Company save and except in relation to dividends, if any, to which they may be entitled to, as and from the Appointed Date. The New Equity Shares of the Company issued on Demerger shall, subject to completion of applicable procedures, be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and shall remain frozen in the depositories system till listing/trading permission is given by the Bombay Stock and the National Stock Exchange of India Limited. Consequent to the allotment of the new shares as per the Scheme, the Company has ceased to be the subsidiary of GPIL.				
	d. Excess of net assets so recorded over the amount of share capital issued amounting to Rs. 2465874056.00 is recognized in these financial statements, and as stipulated in the Scheme, is disclosed as a free reserve with the nomenclature "Business Reconstruction Reserve".				
	e. As and from the Appointed Date and up to and including the Effective Date, GPPL (in relation to Paper & Boards and Steel Undertaking) and GPIL (in relation to Non Power Investment Undertaking) are deemed to have been carrying on all the business and activities on behalf of the Company and the profit for this period (Net of taxes, Deferred Tax and Minimum Alternate Tax credit) amounting to Rs. 200039100.35 is recognized in these financial statements as the profits and taxes of the Company.				

<b>NOTE 35</b>	
	Financial information of Subsidiary Companies as required by order No. 47/355/2010-CL-III dated 14th May, 2010 of the Ministry of Corporate Affairs, Government of India, issued under section 212 (8) of the Companies Act, 1986 for the financial year 2013-14 are separately enclosed.
<b>NOTE 36</b>	
	1. Being the first year of consolidation, previous year's figures have not been given.
	2. The figures of current year incorporate the transactions specified in the scheme of arrangement as explained in Note no. 34 supra, which has vested with the company.
<b>As per our report attached</b>	
For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C	for and on behalf of the Board  Kailash C. Agarwal Mg. Director DIN-00895365
Pradeep Kapoor Proprietor Membership No. 074491	Himanshu Agarwal Wt. Director DIN-00065185
Moradabad, July 23, 2014	Ankit Agarwal Company Secretary

**STATEMENT RELATING TO SUBSIDIARY COMPANY**

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES					
S. No.	Particulars	(Amount in Rs.)			
1	<b>Name of the Subsidiary Company</b>	<b>Genus Prime Infra Limited</b>	<b>Sansar Infrastructure Private Limited</b>	<b>Sunima Trading Private Limited</b>	<b>Star Vanijya Private Limited</b>
2	<b>Financial year of the subsidiary companies ended on</b>	31.03.2014	31.03.2014	31.03.2014	31.03.2014
3	<b>Date from which it became subsidiary</b>	29.11.2013	29.11.2013	29.11.2013	29.11.2013
4	<b>(i) No. of shares held by holding company with its nominee in the subsidiary at 31.03.2014</b>	8028826	(See note 1 below)	(See note 2 below)	(See note 3 below)
	<b>ii) Extent of interest of holding company as at 31.03.2014</b>	57.05%			
5	<b>The net aggregate amount of profits/(losses ) of the subsidiary for the above financial year of the subsidiary so far as it concern the members of holding company:</b>	-	-	-	-
	(i) dealt with in the accounts of holding company for the financial year ended March 31 <sup>st</sup> ,2014				
	(ii) not dealt with in the accounts of holding company for the financial year ended March 31 <sup>st</sup> ,2014	(472117.00)	(41851.00)	(55739.00)	(56524.00)
6	<b>The net aggregate amount of profits/(losses ) of the subsidiary for the previous financial year of the subsidiary since it become a subsidiary so far as it concerns the members of holding company :</b>				
	(i) dealt with in the accounts of holding company for the financial year ended March 31 <sup>st</sup> ,2013	-	-	-	-
	(ii) not dealt with in the accounts of holding company for the financial year ended March 31 <sup>st</sup> ,2013	-	-	-	-
Additional information-					
1	Share Capital (Equity & Preference)	38147000.00	3306000.00	3400000.00	3768000.00
2	Reserves & Surplus (Net of Debit balance of profit & loss account & misc. exp. not written off )	(6896344.00)	157065291.00	161583270.29	179684210.69
3	Total Liabilities (Debts + Current Liabilities & Provisions)	7497276.00	17707500.00	51207500.00	9002475.00
4	Total assets (Fixed Assets + Current Assets)	19485732.00	11578791.00	79190834.29	36954685.69
5	Investment	19262200.00	166500000.00	136999936.00	155500000.00
6	Turnover / Total Income	-	29102.00	7736.00	1328.00
7	Profit / (Loss) Before Taxation	(472117.00)	(41851.00)	(55739.00)	(56524.00)
8	Provision for Taxation	-	-	-	-
9	Profit / (Loss) after Taxation	(472117.00)	(41851.00)	(55739.00)	(56524.00)
10	Proposed Dividend (Incl.CTD)	Nil	Nil	Nil	Nil
Notes:					
1.	330600 Equity shares of Sansar Infrastructure Pvt. Ltd. (represent 100% of share capital) are held by Genus Prime Infra Ltd.				
2.	340000 Equity shares of Sunima Trading Pvt. Ltd. (represent 100% of share capital) are held by Genus Prime Infra Ltd.				
3.	376800 Equity shares of Star Vanijya Pvt. Ltd. (represent 100% of share capital) are held by Genus Prime Infra Ltd.				





**GENUS PAPER & BOARDS LIMITED**

Regd. Office: Village Aghwanpur, Kanth Road, Moradabad-244001, Uttar Pradesh  
Tel: 0591-2511171  
CIN : U21098UP2012PLC048300

**ATTENDANCE SLIP**

03<sup>RD</sup> Annual General Meeting – September 30, 2014

<b>Name &amp; Address of the Shareholder :</b>	<b>Folio No. :</b>
	<b>DP. ID :</b>
<b>Name of the Proxy, if any :</b>	<b>Client ID :</b>

I / We hereby record my / our presence at the 03<sup>RD</sup> ANNUAL GENERAL MEETING of the Company to be held at Village Aghwanpur, Kanth Road, Moradabad-244001, Uttar Pradesh on Tuesday, September 30, 2014 at 10.30 a.m.

Signature of the Member / Proxy	No. of Shares held

Note: The Member/Proxy must bring this Attendance Slip to the Meeting, duly completed and signed, and hand over the same at the venue entrance.



Form No. MGT-11

**PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN	U21098UP2012PLC048300
Name of the Company	Genus Paper & Boards Limited
Registered Office	Village Aghwanpur, Kanth Road, Moradabad-244001

Name of the shareholder	
Registered address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I / we, being the shareholder(s) of ..... shares of the above named company, hereby appoint:

1	Name	
	Address	
	E-mail ID	
	Signature	

Or falling him

2	Name	
	Address	
	E-mail ID	
	Signature	

Or falling him

3	Name	
	Address	
	E-mail ID	
	Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 03<sup>rd</sup> Annual General Meeting of the Company, to be held on Tuesday the 30th September, 2014 at 10.30 am at Village Aghwanpur, Kanth Road, Moradabad-244001, Uttar Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No :-**

1	Adoption of Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2014
2	Appointment of M/s. Pradeep Hari & Co., Chartered Accountants, Moradabad as Statutory Auditors and fix their remuneration
3	Ratification of remuneration of Cost Auditors for FY 2014-15
4	Appointment of Mr. Udit Agarwal as Independent Director
5	Appointment of Mr. Bhairon Singh Solanki as Independent Director
6	Appointment of Mr. Rameshwar Pareek as Independent Director
7	Power to borrow funds in excess of the limits prescribed u/s 180(c) of the Companies Act, 2013*
8	Power to create charge/mortgage etc over the assets and undertakings of the company to secure the funds borrowed *
9	Transactions with related party u/s 188 of the Companies Act, 2013*
10	Reappointment of Shri Kailash Chandra Agarwal as Managing Director*
11	Reappointment of Shri Himanshu Agarwal as Whole Time Director*
12	Amendment in the Articles of Association of the Company*

\*Special Resolution

Signed this ..... day of ..... 2014.

Signature of Shareholder :

Signature of Proxy holder(s) :

Affix Re 1 Revenue Stamp
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Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



If undelivered, please returned to

**Genus Paper & Boards Limited**

(A Kailash Group Company)

**Registered Office**

Village Aghwanpur, Kanth Road, Moradabad-244001, Uttar Pradesh

Tel : 0591-2511171 Fax : 0591 – 2511242

**Corporate Office**

D-116, Okhla Industrial Area, Phase-1, New Delhi-110020

Tel: 011 47114800 Fax: 011 47114833

Website : [www.genuspaper.com](http://www.genuspaper.com)