

# ANNUAL REPORT

2010-11



ENERGIZING LIVES

# Genus

Power Infrastructures Ltd

Empowering Households, Utilities And Entire Cities with  
**SMART METERING SOLUTIONS**  
for Smart Grids



## ENORMOUS POWER SAVINGS THROUGH **SMART STREET LIGHTING**

Intelligent Street Lighting Systems to manage  
power consumption in real time

## **TURNKEY POWER DISTRIBUTION MGMT.**

Comprehensive, Reliable, Scalable  
Solutions for Utilities

## CONTENTS

Chairman's Message	01	Corporate Governance Report	26
Corporate Overview	03	Auditors' Certificate on Corporate Governance	40
Competitive Strengths	04	Auditors Report on Financial Statements	41
Company Information	05	Financial Statements	44
Directors' Profile	06	Notice of Annual General Meeting	64
Directors' Report	09	Performance Highlights	69
Management Discussion and Analysis	16		



# CHAIRMAN'S MESSAGE



**Mr. Ishwar Chand Agarwal**  
Chairman

“ Genus once again achieved a record turnover of Rs.723 crores with a record operating profit (EBIDTA) of Rs.105 crores and net profit of Rs.55 crores. With perceptive investments, strategic decisions in the past and ability to pass through changes and challenges, Genus will continue to move ahead to scale newer heights with great pride and confidence. ”

## Dear Shareowners,

It is with a feeling of pride and satisfaction that I report to you at the end of another successful year of your Company. The financial year 2010-11 was a year of consolidation for Indian economy and for your Company too. Despite stiff competition, Genus has once again achieved a record turnover of Rs.723 crores with a record operating profit (EBIDTA) of Rs.105 crores and net profit of Rs.55 crores. I am glad to say that Genus is in a strong position in terms of its balance sheet with strong assets and a net worth of Rs.370 crores. This milestone performance was made possible by creating operational competency across the functions by using latest techniques and consistent focus on research and development coupled with the Governments' thrust on power reforms with special focus on the power transmission and distribution sector. With perceptive investments, strategic decisions in the past and ability to pass through changes and challenges, Genus will continue to move ahead to scale newer heights with great pride and confidence.

A part of the US\$300 million Kailash Group, Genus has an installation base of over 1.5 crores meters and is one of the leading global brands in smart energy metering solutions. The high-end technologies and software developed by Genus has transformed the way energy metering is done in India as well as around the world. Genus' specialisation and proven track record in providing best solutions for energy audit and management like automatic meter reading

solutions, prepaid metering solutions, comprehensive billing software, energy management server, etc. make it a preferred choice amongst the SEBs and private utilities. The robust demand for smart metering solutions has enabled us to confidently move forward with production capacity expansion initiatives and leverage the same to increase our market share. It has put us on the fast track.

*Recently, Genus has been honoured with two prestigious awards given by North Delhi Power Limited (NDPL) for 'Outstanding performance towards Agility to NDPL's changing needs' and 'Outstanding performance towards AT&C Loss reduction' by supplying high-end technology driven processes, unique metering products and support services. Our innovative solutions like intelligent, cost-effective and pilferage-proof power meters have streamlined their processes, enhanced customer satisfaction and reduced power losses.*

Genus is fast emerging as a force to reckon within the power distribution and management sector. Over the years, Genus has established itself as an integrated power infrastructure company with special focus on turnkey business in the power transmission and distribution sector. Enormous energy demand to be fulfilled across the country needs a secured, efficient and comprehensive power transmission and distribution network. With India planning to install an additional capacity of 1,00,000 MW during the 12th Five Year Plan, I foresee this sector to grow rapidly.

## CHAIRMAN'S MESSAGE

“

The high-end technologies and software developed by Genus has transformed the way energy metering is done in India as well as around the world. Genus is fast emerging as a force to reckon within the power distribution and management sector.

”

This offers a tremendous opportunity for the Company and we are well geared to continue to improve our market share significantly in the coming years.

With focus on innovation and a vision to bring avant-garde technology within the reach of all, Genus has demonstrated its exceptional entrepreneurial talent and leadership in diverse fields of power backup solutions as well. Given the ever-increasing demand of electricity and huge gap between demand and supply of electricity in India, the current installed power capacity as well as planned capacity addition will not be enough to bridge the gap. This situation offers a great business opportunity for advance power backup solutions, which is one of the core business segments of your Company.

At Genus, we believe it is of paramount importance to look at the future and formulate new strategies accordingly. And therefore we constantly endeavour to strengthen our competitive edge by harnessing our full fledged in-house R&D laboratory (recognized by the Government of India and also accredited with 'National Accreditation Body for Testing Labs'), state-of-the-art manufacturing facilities strategically positioned in tax holiday zone and world class tool room with advanced software, machines and automatic test systems. This has enabled us to be uniquely positioned as a strong, reputed and most efficient company amongst the leading players in the industry. Moreover, based on our cutting-edge technologies, optimally balanced installed capacity, strong order book, tender bids and ever-improving

scenario of power sector in India, we are confident of sustaining the growth momentum in the coming years.

At Genus, we trust that no business can be without risk. In fact, we earn a good return by taking calculated risks. We believe, with apposite formulation, training and timely execution, an opportunity can be turned into a great success. With this view, we have already taken a number of initiatives to keep up the growth journey. We continue to look for strategic options, innovation and best-in-class growth opportunities.

I take the pleasure to convey my gratitude to all my board and executive colleagues, and all our employees for their valuable contribution because it is utterly due to their commitment, hard work and talent that the Company has been able to deliver excellent results year after year.

With best wishes,

Yours sincerely,

**Ishwar Chand Agarwal**  
Chairman

Jaipur, July 27, 2011

“

We constantly endeavour to strengthen our competitive edge with our full fledged in-house R&D laboratory, state-of-the-art manufacturing facilities and world class tool room. This has enabled us to be uniquely positioned as a strong, reputed and most efficient company amongst the leading players in the industry.

”



## CORPORATE OVERVIEW

Promoted & Headed by  
**Mr. Ishwar Chand Agarwal**  
an experienced industrialist of repute

Genus started its journey with the philosophy of  
**SERVING SOCIETY THROUGH INDUSTRY**

Genus stands committed to exceed the  
**Highest Standards of Quality**  
stipulated by the regulators, both in India and abroad

With proven track record, a renowned and premium name in providing all kinds of  
**Metering Solutions for Power Sector,**  
offering turnkey design-to-end-products solutions

**An Integrated Power Infrastructure Company**  
in India having a prominent name in turnkey project business in  
Power Transmission and Distribution Sector

Superlative brand image in providing dependable and affordable  
**Power Backup Solutions**  
based on avant-garde technology with several advanced features

## COMPETITIVE STRENGTHS

### **Armed with Government recognised globally competitive R&D Lab,**

Genus is self-sufficient in technology upgradation, innovation activities and providing customized solutions to its customers.

### **State-of-the-art Manufacturing Facilities at Jaipur and Haridwar (a tax free zone).**

Genus has the ability to quickly expand and ramp up its production capacity at any time to capture and deliver high volume orders for power equipments.

### **World-class Tool Room with advanced software, equipments and automatic test systems**

make Genus a premier and cost efficient solution provider for power sector.

### **Accredited with various Recognitions & Certifications**

for different rated meters and other products/services, which is amongst the highest in the country in Metering Solutions Industry. This facilitates the Company to secure the orders/repetitive orders from State Electricity Boards & Private utilities.

### **Strong Order Book position**

of Rs. 602 crores and Participation in Tenders of more than Rs. 2000 crores.

# COMPANY INFORMATION

## BOARD OF DIRECTORS

**Mr. Ishwar Chand Agarwal**  
Executive Chairman

**Wg. Cdr. (Retd.) B. S. Solanki**  
Director

**Mr. Rameshwar Pareek**  
Director

**Mr. Indraj Mal Bhutoria**  
Director

**Mr. Dharam Chand Agarwal**  
Director

**Mr. Udit Agarwal**  
Director

**Mr. Vishnu Todi**  
Director

**Mr. Naveen Gupta**  
Additional Director

**Mr. Kailash Chandra Agarwal**  
Joint Managing Director

**Mr. Rajendra Kumar Agarwal**  
Executive Director & CEO

**Mr. Jitendra Kumar Agarwal**  
Executive Director

**Mr. Giriraj Kishore Sharma**  
Executive Director

## COMPANY SECRETARY

**Mr. Ankit Jhanjhari**

## AUDITORS

**M/s. D. Khanna & Associates**  
Chartered Accountants,  
G-6, Royal Sundram, Vivekanand Marg,  
C-Scheme, Jaipur-302001

## CORPORATE LAW ADVISOR

**M/s. C. M. Bindal & Co.**  
Company Secretaries,  
247, Himmat Nagar, Tonk Road, Jaipur-302018

## REGISTRAR AND SHARE TRANSFER AGENTS

**Niche Technologies Private Limited**  
D-511, Bagree Market, 71, B. R. B. Basu Road,  
Kolkata-700 001  
Tel: 033-22357270/7271 Fax: 033-22156823  
E-mail- nichetechpl@nichetechpl.com

## BANKERS

Bank of Baroda  
IDBI Bank Limited  
State Bank of India  
State Bank of Bikaner & Jaipur  
Standard Chartered Bank  
Axis Bank Limited  
Export-Import Bank of India  
Punjab National Bank  
State Bank of Mysore

## REGISTERED OFFICE

D-116, Okhla Industrial Area, Phase-1, Okhla,  
New Delhi-110020  
Tel: 011-47114800 Fax: 011-47114833  
E-mail: cs@genus.in / info@genus.in  
Website: www.genus.in

## CORPORATE OFFICE

SPL-3, RIICO Industrial Area, Sitapura,  
Tonk Road, Jaipur-302022 (Rajasthan)  
Tel: 0141-3911400/500 Fax: 0141-2770319  
E-mail: cs@genus.in / info@genus.in

## PLANTS

SPL-3, RIICO Industrial Area, Sitapura, Tonk Road,  
Jaipur-302022 (Rajasthan)  
SPL-2A, RIICO Industrial Area, Sitapura, Tonk Road,  
Jaipur-302022 (Rajasthan)  
SP-4-2, Keshwana, (Kotputli)  
Dist.-Jaipur-303108 (Rajasthan)  
Plot No.12, Sector-4, IIE, SIDCUL,  
Haridwar – 249403 (Uttarakhand)  
Plot No.9, Sector-2, SIDCUL,  
Haridwar – 249403 (Uttarakhand)

# DIRECTOR'S PROFILE

## **Mr. Ishwar Chand Agarwal**

Executive Chairman

Mr. Ishwar Chand Agarwal, Executive Chairman of the Company, is an industrialist of repute. He is a visionary entrepreneur and passionate innovator and has taken the organisation from an idea to a conglomerate over the last three decades. He has been associated with the Company since its inception as promoter. Even at the age of 61 years, he is extremely active in business. He is the driving force behind the success achieved by the Group. He brings with him rich and specialized experience in varied businesses such as Power, Electronics, Coke, Coal, Sugar, Finance, Leasing, Cement, Paper, Agro processing etc. It is his vision that Research and Development will be the lifeline of every institution. He has been instrumental in making strategic decisions for the Company. Under his leadership, the Company has significantly increased its market share in India and extended its footprint worldwide. He is an active philanthropist and is involved in various social welfare activities.

At Genus, he is also the Chairman of Sales Committee and Finance Committee of the Company.

He is a Director of Genus Electrotech Limited, Kailash Coal And Coke Company Ltd., Genus Paper Products Limited, Kailash Industries Limited, Godavari Commodities Limited, Genus Innovation Limited and Virtuous Infra Limited.

## **Mr. Kailash Chandra Agarwal**

Joint Managing Director

Mr. Kailash Chandra Agarwal, aged 40 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 is one of the promoters of the Company and currently holding the position of Joint Managing Director of the Company. 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.

He is the Managing Director of Genus Paper Products Limited and a Director of Kailash Industries Limited, Kailash Coal And Coke Company Ltd., Kailash Vidyut and Ispat Limited, Genus Apparels Limited and several private limited companies.

## **Mr. Rajendra Kumar Agarwal**

Executive Director & CEO

Mr. Rajendra Kumar Agarwal, aged 36 years, an Electronic Engineer by profession is a Whole-time Director designated as Executive Director and Chief Executive Officer (CEO) of the Company. He is responsible for the day-to-day operations of the Company. After graduation, he was inducted into Genus as a trainee and has gained practical experience by working at various functions like material management, products development, accounts, administration, etc. He brings with him intuitive capabilities and high-end technical know-how. He implemented "Lean Manufacturing" in Genus, which has resulted in increased productivity. He has demonstrated track record of identifying problems and persistently providing practical solutions. Presently as CEO, he is concentrating on technology licensing, development, strategic alliances and partnerships to make Genus a truly global player. He possesses rich experience and expertise in business management and thus has played a significant role in elevating the reputation of the Company to its current status.

He is also a member of the Sales Committee and Finance Committee of the Company. He is also one of the promoters of the Company.

He is a Director of Genus Electrotech Limited.



# DIRECTOR'S PROFILE

## **Mr. Jitendra Kumar Agarwal**

Executive Director

Mr. Jitendra Kumar Agarwal, aged 34 years, holds a Master's degree in Business Administration (MBA) (Marketing). A second generation entrepreneur, he hails from a business family engaged in diversified businesses under the Kailash Group. He is on the Board of the Company as Whole-time Director designated as Executive Director (Marketing) since September, 2004. He is proficient in managing all crucial aspects of marketing, branding, sales functions and other key areas of sales. Over the years, he has acquired special skills in dealing with government bodies mainly power utilities. He has been successful in tapping customer needs, identifying opportunities, executing strategies and creating new revenue streams. He has excellent knowledge in marketing and trade policies. He is young and energetic, who brings to the team excellent business acumen and marketing expertise. He has the astute capability to form, lead and motivate teams with diverse members.

He is a Charter Member of TIE Jaipur, member of YEO (Young Entrepreneurs Organization) Jaipur, and member of executive governing council - IEEMA, the Indian Electrical & Electronics Manufacturers Association.

He is also a member of the Sales Committee and Finance Committee of the Company. He is also one of the promoters of the Company

He is also a Director of Genus Innovation Limited and Genus International Commodities Limited.

## **Mr. Giriraj Kishore Sharma**

Executive Director

Mr. Giriraj Kishore Sharma, aged 56 years is a Whole-time Director of the Company. He holds Bachelor of Arts degree. He was appointed as Director of the Company in July, 1999. He brings with him over two decades of experience in the field of sales and marketing. He has considerable marketing expertise and is actively involved in promotion of Electronic Energy Meter business with State Electricity Boards and Private Utilities. His expertise in liaisoning and networking coupled with forte marketing skill has enabled the Company to achieve a rapid growth in top line year after year.

He is a Director of Genus Electrotech Limited

## **Wg. Cdr. (Retd.) B. S. Solanki**

Independent Director

Wg. Cdr. (Retd.) B. S. Solanki is a technocrat. He did his M.Sc. (Engg.) from Cranfield Institute of Technology, Cranfield, Bedfordshire, England (Now Cranfield University). He has been a well-known and respected personality in the field of electronics. He has extensively travelled to UK, USA, France, Sweden, Yugoslavia, Russia and Italy, giving him an opportunity to visit the most renowned energy T&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. As Chief Technical Instructor (Radar), he imparted training and developed an ECM system to counteract missile guidance radar of the enemy. 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).

He is a Non-Executive and Independent Director of the Company and also a member of the Sales Committee, Investor Grievance Committee, Remuneration Committee and Audit Committee of the Company.

He is the Chairman & Managing Director of Soltronix (Raj) Ltd. He is also a Director of Genus Paper Products Limited.

## **Mr. Vishnu Todi**

Non Independent & Non Executive Director

Mr. Vishnu Todi, aged 42 years is a Chartered Accountant by profession. He is associated with Genus since 1995. He has a rich experience of over 16 years in financial and taxation matters as well as special skills in accountancy, administration and management. He plays a significant role in providing valuable inputs to the Board for taking various crucial decisions to enable the Company in achieving its goals. He is currently a Non-Executive & Non-Independent Director of the Company. He is also one of the promoters of the Company.

At present, he is the Managing Director of Genus Electrotech Limited

# DIRECTOR'S PROFILE

## **Mr. Rameshwar Pareek**

Independent Director

Mr. Rameshwar Pareek, aged 67 years, holds a Master's degree in Economics. He has extensive experience of more than 35 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. He is a Non-Executive and Independent Director of the Company.

He is the Chairman of Audit Committee and a member of Remuneration Committee and Investors' Grievance Committee of the Company.

He is a Director of Mayur Uniquoters Limited, Genus Electrotech Ltd., Kailash Vidyut & Ispat Limited, K G Petro Chem Limited, Genus Prime Infra Limited, Genus Paper Products Limited and Virtuous Infra Limited.

He is a Non-Executive and Independent Director of the Company and also the Chairman of Investor Grievance Committee and Remuneration Committee and a member of Audit Committee of the Company.

He is also a director on the board of Genus Prime Infra Limited

## **Mr. Udit Agarwal**

Independent Director

Mr. Udit Agarwal was appointed on the Board of Directors of the Company in October, 2009. Mr. Udit Agarwal, aged 38 is a young and energetic businessman. He holds Bachelor of Commerce (Hons) degree. He has vast experience of more than 15 years in the business of export of handicraft items and is belonged to a reputed business house 'Saran Group'. He has strong ability to provide insightful feedbacks and recommendations.

He is a Non-Executive and Independent Director of the Company.

## **Mr. Indraj Mal Bhutoria**

Independent Director

Mr. Indraj Mal Bhutoria, aged 43 years, is graduated with a Bachelor of Commerce degree. He has functional expertise and experience of over two decades in the business of coal and coke. He has comprehensive knowledge and enormous experience in varied fields such as trade policies, marketing strategies, etc. He is a Non-Executive and Independent Director of the Company.

He is a Director of Godavari Commodities Ltd., Likeme Barter Pvt. Ltd. and Anusandhan Commotrade (P) Ltd.

## **Mr. Naveen Gupta**

Independent Director

Mr. Naveen Gupta aged 40 years, is a known name in Indian Education space specifically north India. At a very early age, he took up the mantle of leading the IEC Group, a software education conglomerate. About a decade ago he then took initiative to educate young India and foray into the formal education and opened colleges with name IEC Group of Institutions. Recently he has been conferred with the Honorary Doctorate Degree by LTSNU, Ukraine. He is awarded with Doctorates of Science and Doctorate of Tourism and Information Technology by LTSNU, Ukraine for his contribution to these sectors.

He is a Non-Executive and Independent Director of the Company.

He is the Managing Director of IEC Education Limited. He is also a Director on the Boards of IEC Leasing and Capital Management Limited, IEC Learning and Management Limited, IEC Education and Infrastructure Limited and several private limited companies.

## **Mr. Dharam Chand Agarwal**

Independent Director

Mr. Dharam Chand Agarwal, aged 59 years, is an eminent businessman and has considerable experience and proficiency in business management. He holds Bachelor of Commerce degree. With great entrepreneur skills, he has made his mark in the business of Timber & Plywood in India. He was appointed as Director of the Company in December, 2005.



# DIRECTORS' REPORT



## TO THE MEMBERS,

Your Directors have pleasure in presenting the 19th Annual Report of the Company together with Audited Accounts for the financial year ended March 31, 2011.

## FINANCIAL RESULTS

The financial highlights of the Company, for the year ended March 31, 2011 are summarized below:

(Rs. in Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Income from Operations (Gross)	72,261.20	66,322.97
Earning before interest, depreciation & amortization	10,514.78	9,637.15
Profit before Taxation	6,926.16	5,610.83
Profit after Taxation	5,477.02	4,719.76
Add/(Less): Extraordinary Items	631.07	(2,081.15)
Net Profit after Extraordinary Items	6,108.09	2,638.61
Add: Balance brought forward from previous year	11,085.49	9,666.25
Amount available for appropriations	17,193.58	12,304.86
<b>Appropriated as under:</b>		
Dividend on Equity Shares	151.91	147.91
Dividend on 10% Redeemable Preference Shares	N.A.	39.59
Dividend Tax	25.82	31.87
Debts/Debentures Redemption Reserve	-	1,000.00
Balance retained in Profit and Loss Account	17,015.85	11,085.49

## REVIEW OF FINANCIAL PERFORMANCE

During the year under review, the Company witnessed a steady and sequential growth in its revenue and profits on the back of the focused business strategy, integrated approach to enterprise solutions, world class facilities and full-fledged in-house R&D lab.

During the year under review, the Company's income from operations reflected 9% growth, which increased to Rs.72,261.20 lacs during the year under review from Rs.66,322.97 lacs in the previous year. This was mainly attributed to successful business strategies like continuous extension & upgradation of its products/services portfolio, diversification, in-house R&D lab, setup of manufacturing facilities in tax holiday zone etc., adopted by the Company during preceding years.

Exports sales including deemed exports declined to Rs.2,913.77 lacs during the year under review from Rs.4,067.71 lacs in previous year due to lower execution of deemed export projects/supplies.

The operating profit (EBITDA) for the year under review grew by 9% to Rs.10,514.78 lacs from Rs.9,637.15 lacs

in previous year. The EBITDA margin was slightly improved from 14.53% to 14.55% mainly due to continued focus on higher margin products business.

The profit after tax (PAT) augmented by 16% to Rs.5,477.02 lacs during the year under review from Rs.4,719.76 lacs in the previous year.

The basic earnings per share (EPS) (before extraordinary items) for the year ended March 31, 2011 was Rs.3.69 as against Rs.3.16 in the previous year. The EPS (after extraordinary items) for the year ended March 31, 2011 was Rs.4.11 as against Rs.1.75 in the previous year.

The net worth of the Company increased to Rs.37018.21 lacs at the end of FY 2010-11 from Rs.29,894.80 lacs at the end of FY 2009-10.

The book value per share having face value of Re.1/- increased to Rs.24.37 as at 31.03.2011 from Rs.20.21 as at 31.03.2010.

The employees cost increased to Rs.4,096.55 lacs from Rs.2,950.15 lacs mainly due to increased induction of talented and experienced persons in the



# DIRECTORS' REPORT

industry, visualizing the tremendous business opportunities in the power transmission and distribution sector in the country and increased labour cost owing to higher execution of metering solutions' orders during the year under review.

Manufacturing and other operating expenses increased to Rs.1,673.20 lacs from Rs.1,263.83 lacs due to higher sales volume and increased expenditure on the research & development activity.

Interest and finance cost decreased to Rs.2,786.70 lacs from Rs.3,222.36 lacs on account of reshuffling of credit facilities to enjoy lower interest rates & bank charges and better management of funds.

During the year under review, the Company has written off book debts of Rs.803.01 lacs, which mainly represent various deductions made by indenting agencies, pursuant to the terms of supplies.

The debts gearing of the Company was at 0.71 times as at the end of the financial year 2010-11 due to better management of the available resources.

## DIVIDEND

The Board of Directors recommends for your approval, a dividend of 10% i.e. Re.0.10 per equity share on equity shares of the face value of Re.1/- each (tax free in the hands of the shareholders) aggregating to Rs.151.91 lacs for the year ended March 31, 2011 (Previous Year: 10% i.e. Re.1.00 per equity share of face value of Rs.10/- each aggregating to Rs.147.91 lacs).

## ISSUE OF SECURITIES AND SHARE CAPITAL

### (i) Split of Equity Shares:

During the year under review, the Company has splitted/sub-divided its equity shares of the face value of Rs.10/- each into ten equity shares of face value of Re.1/- each in order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors to purchase the equity shares of the Company. On account of split of shares, the ISIN of the Company has been changed from INE955D01011 to INE955D01029 w.e.f. 14th October, 2010.

### (ii) Conversion of Warrants:

During the year under review, out of 1,10,00,000 (restated on account of split of shares) convertible warrants issued to one of the promoters of the Company, 40,00,000 warrants were converted into 40,00,000 fully paid-up equity share of Re.1/-

each at a price of Rs.19/- per equity share including a premium of Rs.18/- per share on 11th February, 2011. The aforesaid equity shares rank pari passu in all respects with the existing equity shares of the Company.

## MAJOR EVENTS

The Company is setting up a new manufacturing unit at Ramchandrapura, RIICO Industrial Area, (Sitapura Extension), Jaipur with a view to shift its existing Jaipur manufacturing facility from SPL-3, RIICO Industrial Area, Sitapura, Jaipur to the said new facility. With the shifting of the manufacturing facilities to Ramchandrapura, the existing unit will be used for the administrative work and R&D activities of the Company.

During the year under review, the Company has also purchased a unit situated at SPL-2A, RIICO Industrial Area, Sitapura, Jaipur in order to strengthen the process of backward integration to expand and modernize its tool room which is an important segment in the manufacturing process of the Company's products.

## FIXED DEPOSITS

During the year under review, the Company has not accepted or renewed further, any fixed deposits within the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made thereunder.

## INSURANCE

All properties and insurable assets of the Company, including building, plant & machineries, stocks, office equipments, furniture & fixtures, etc. are adequately insured to the extent required. The assets of the Company are insured against all predictable risks. Further, the Company has also taken 'Consequential Loss (Fire) Policy' to insure the profit affected during the cessation of the business operations due to exigencies.

During the year under review, the Company has received the insurance claim of Rs.6.31 crores (Net of Tax) (Gross Rs.7.88 crores) from the insurance company towards loss of assets in a massive fire/blast incident occurred on October 29, 2009. The Company has received Rs.14.18 crores as compensation/adhoc relief from IOCL through RIICO on account of the aforesaid blast/fire incident, against submission of Bank Guarantee as per the order/direction of Hon'ble Rajasthan High Court ('RHC'). The RHC has passed order allowing our writ petition on April 29, 2011. The

# DIRECTORS' REPORT

said order has further been challenged by RIICO Ltd. in writ revision petition dated May 20, 2011 and the same is under consideration of RHC. In view of above, the said adhoc relief is subject to final decision of Hon'ble Rajasthan High Court, hence it has not been charged to Revenue.

## CODE OF CONDUCT

All board members and senior management personnel have affirmed compliance with the provisions of Code of Conduct of the Company on annual basis pursuant to revised clause 49 (I)(D) of Listing Agreement. The text of the Code of Conduct is displayed at Company's website 'www.genus.in'.

## CORPORATE GOVERNANCE

The Company is fully dedicated to maintain the highest standards of corporate governance and complies with the requirements of corporate governance as stipulated under Clause 49 of the Listing Agreement. In accordance with the Clause 49 of the Listing Agreement, a report on Corporate Governance and a Certificate from Statutory Auditor of the Company regarding compliance of the requirements of Corporate Governance are annexed hereto. Pursuant to voluntary guidelines, the Company is examining possibility for carrying out secretarial audit.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the Clause 49 of the Listing Agreement, a detailed report on Management Discussion and Analysis (MDA) is annexed herewith.

## CREDIT RATING

Fitch Ratings India Pvt. Limited ('Fitch') has affirmed the Company a rating of "F1(ind)" to its INR1bn commercial paper/short term debts programme. 'F1' indicates the strongest capacity for timely payment of financial commitments relative to other issuer or obligations in the same country. Under the agency's National Rating scale, this rating is assigned to the lowest default risk relative to others in the same country.

Fitch has also affirmed the Company National Long Term Rating of A-(ind)/"Stable" Outlook. 'A' National Ratings denote expectations of low default risk relative to other issuers or obligations in the same country. However, changes in circumstances or economic conditions may affect the capacity for timely repayment to a greater degree than is the case for financial commitments denoted by a higher rated category.

## GROUP

Pursuant to an intimation received from the Promoters, the names of the Promoters and entities comprising 'Group' as defined under the Monopolies and Restrictive Trade Practices Act, 1969 are disclosed in the Annual Report as 'Annexure-II' for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

## DIRECTORS

### (i) Retirement by Rotation:

As per the provisions of the Companies Act, 1956 and Article 89 of Articles of Association of the Company, Mr. Ishwar Chand Agarwal, Mr. Giriraj Kishore Sharma, Mr. Jitendra Kumar Agarwal and Mr. Vishnu Todi, Directors, retire by rotation at the ensuing Annual General Meeting and, they being eligible, offer themselves for re-appointment.

### (ii) Changes in the Composition of Directors:

Mr. Kailash Chandra Agarwal was appointed as an Additional Director of the Company at the Board meeting held on January 24, 2011 to hold the office till the date of ensuing Annual General Meeting. At the same meeting, he was also appointed as Joint Managing Director of the Company with effect from January 24, 2011 for a period of three years. He will be non-retiring Director till the time he continues as the Joint Managing Director of the Company. His appointment was also approved by the shareholders through resolutions passed by way of postal ballot on 06.04.2011. He is a non-independent and executive director of the Company.

Mr. Ishwar Chand Agarwal, Director resigned as Managing Director w.e.f. January 24, 2011 but continued as Director of the Company. He was appointed as Executive Chairman of the Company w.e.f. January 24, 2011 for a period of three years.

Mr. Rajendra Kumar Agarwal, Executive Director, has been re-designated as Chief Executive Officer of the Company w.e.f. January 24, 2011 for his remaining tenure being upto December 31, 2013.

Mr. Naveen Gupta was appointed as an Additional Director of the Company at the Board meeting held on 07th July, 2011 to hold the office as such till the date of ensuing Annual General Meeting. He being eligible is seeking appointment as Director of the Company at the ensuing Annual General Meeting. He will be an Independent and Non-Executive Director on the Board of the Company.

# DIRECTORS' REPORT

## AUDITORS

In terms of provision of Section 224 of the Companies Act, 1956, M/s. D. Khanna & Associates, Chartered Accountants, Jaipur, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting of the Company. They being eligible, offer themselves for re-appointment. The Audit Committee and the Board of Directors of the Company have recommended the appointment of M/s. D. Khanna & Associates, Chartered Accountants, Jaipur, as the Auditors of the Company.

The Company has received a letter from them to the effect that their reappointment, if made, would be within the limit prescribed under section 224 (1-B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act. The auditors have submitted the Peer Review Certificate dated 6th January, 2010 issued to them by the Institute of Chartered Accountants of India (ICAI).

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

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, disclosures in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are given at Annexure-I to this Report.

## PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are required to be set out in the annexure to the Directors' Report. However as per the provisions of section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary.

## TRANSFER OF AMOUNT TO 'INVESTOR EDUCATION AND PROTECTION FUND' (IEPF)

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the amount of dividends, which

remained unpaid or unclaimed for a period of 7 years has been transferred to the IEPF.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors, on the basis of information made available to them, confirm that:

- (a) in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) they 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 31st March, 2011 and of the profit of the Company for that period;
- (c) they 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;
- (d) the annual accounts are prepared on a 'going concern' basis.

## ACKNOWLEDGMENT

Your Directors wish to place on record their sincere appreciation for the confidence shown by the valued shareholders. Your Directors would also like to express their earnest gratitude for the effort, dedication and hard works put in by the employees and engineers/scientists of the Company and look forward the same in future. The Directors also gratefully acknowledge the continued backing and support given to the Company by the Banks, Financial Institutions, Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Depositories, Government and Semi Government departments, Customers, Suppliers and Business Associates.

For and on behalf of the Board of Directors

**ISHWAR CHAND AGARWAL**  
Chairman

Jaipur, July 27, 2011



# ANNEXURE-I TO THE DIRECTORS' REPORT

The information 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 and forming part of the Directors' Report.

## A. CONSERVATION OF ENERGY

Though the Company does not come under the cluster of power intensive industries and the consumption of power is not significant, yet the Company always endeavors to save energy, wherever possible. Genus persists its efforts towards reduction of energy consumption, minimizing wastage and increasing the overall efficiency at every stage of power consumption. To strengthen its efforts in this direction, the Company took the following measures during the year under review:

1. Replaced conventional lights with LED lights.
2. Replaced central air-conditioning from reciprocating type chiller to Screw chiller, which are 30% more energy efficient as compared to the existing system.
3. Reflective glasses were used at all outer periphery of building, wherever possible, which save approx 70% of heat load inside the building.
4. Replaced high energy consumption devices/equipments/ fittings with low consumption devices/equipments/fittings, wherever possible.
5. Regular appraisal measures taken to conserve energy by a team formed to review and guide for overall cost reduction including energy cost.
6. Encouraged and educated the employees to be conscious on energy conservation and to offer ideas how to save energy in day-to-day operations.

The following proposals are being considered / being implemented for reduction of energy consumption:

1. Replacement of high energy consumption devices/ equipments/ fittings with energy efficient devices/ equipments/ fittings, wherever possible.
2. Induction of energy audit and metering.
3. Use/replace with innovative integrated machines/solutions, which are more energy safer, reliable, efficient and productive.

This industry having not fallen in Schedule given under the Rules, the information as per Form-A is not applicable to the Company.

## B. TECHNOLOGY ABSORPTION

### FORM B (PARTICULARS WITH RESPECT TO ABSORPTION):

#### I. RESEARCH AND DEVELOPMENT (R&D)

##### 1. Specific areas in which R&D was carried out by the Company:

- (a) Developed integrated solution for Distribution Transformer metering, which includes metering and communication capability, named "SAMPOORNA".
- (b) Developed communication capabilities using 'Zigbee' technology for smart metering.
- (c) Developed energy meters with IR communication capability.
- (d) Developed meter with LPR (Low Power Radio) as per new allotted frequency Band by WPC.
- (e) Developed closed loop system for dual sources meters in Building Automation segment.
- (f) Developed Poly Phase Meters of all categories as per Indian Companion DLMS specification to meet the requirements of Govt. of India's initiatives under R-APDRP projects.
- (g) Developed Data Concentrator Unit for automatic communication, which enables timely and error-free billing and provides real time profile for energy conservation.
- (h) Developed new designs for our three phase product lines with several value additions.
- (i) Enhanced 19" Rack Mounted ABT compliant Class 0.2S meter for substation and grid metering with AMR and data analysis software for Feeder management.
- (j) Enhanced Group Meter with GPRS technology for on line monitoring.
- (k) Enhancement in features of exiting ranges of Home UPS models including development of New Front Bezel.
- (l) Enhancement in features of 5 KVA Static UPS including changing of Digital Signal processor.
- (m) Value engineering.
- (n) Design of Load soaking Jig for production.

##### 2. Benefits derived as a result of the above R&D:

- (a) It enables us to offer metering solutions to meet the requirements under the Electricity Act, 2003, CEA (Installation and Operation of Meters) Regulations, 2006 and Government's R-APDRP projects. It helped the SEBs and power utilities in reducing their T&D losses, improving billing efficiency and thereby enhancing financial health.

# ANNEXURE-I TO THE DIRECTORS' REPORT

(b) Genus recorded additional sales of:

- (1) Rs.60 crores (approx) on account of Poly Phase Meters as per Indian Companion DLMS specification.
  - (2) Rs.35 crores (approx) on account of LPR.
  - (3) Rs.5 crores (approx) on account of SAMPOORNA.
  - (4) Rs.2 crores (approx) on account of Data Concentrator Unit.
  - (5) Rs.1 crores (approx) on account of Building Automation.
- (c) Development of communication capabilities using 'Zigbee' technology for smart metering enabled us to participate in new business tenders of Rs.30 crores (approx).
- (d) The added features and new look of Inverter/UPS will help in increasing our Market size.
- (e) The technology used has been developed indigenously, which eliminates the dependency on external agencies and at the same time gives the leverage to change / alter / modify the design as per market dynamics.
- (f) Reduction of BOM cost without compromising quality using DLS Techniques.
- (g) Marine Inverter opens a completely New Market segment.
- (h) Change of digital signal controller allowed us to use same software platform in Inverters/UPS upto 5kVA. It result in better management of Technology and Inventory.
- (i) Load soaking jig saves time, manpower and power consumption in production.

### 3. Future plan of action:

- (a) Development of Gas Meter.
- (b) Development of In-Home Display with communication capability to facilitate the consumer to know his consumption profile of electricity.
- (c) Development of Poly Phase Field Reference Meter.
- (d) Development of Poly Phase Smart Meter with integrated modem & load control.
- (e) Development of Single Phase Smart Meter with integrated modem & load control.
- (f) Development of STS based pre-payment Poly Phase Meter for Asian market.
- (g) Development of DIN mounted Poly Phase Meter for energy conservation.
- (h) Value engineering, aesthetic improvement and feature enhancement of all existing models.
- (i) Development of New Lower KVA Home UPS range which will enhance the performance and will be easy to manufacture and have better built-in Quality.

### 4. Expenditure on R&D:

(Rs. in Lacs)

S. No.	Particulars	2010-11	2009-10
(a)	Capital expenses	37.14	31.97
(b)	Recurring expenses	570.50	346.46
(c)	Total	607.64	378.43
(d)	Total R&D expenditure as a percentage of total turnover	0.84%	0.57%

## II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

- (a) The Company has successfully absorbed the technology to manufacture all types of metering and power backup solutions and efforts are continuously on to upgrade the same with innovation in design, process controls, features, etc.
- (b) The Company has in-house Research & Development ('R&D') lab recognized by the Ministry of Science & Technology, Government of India and accredited with 'National Accreditation Body for Testing Labs' (NABL).
- (c) Investments have been made in modernizing the Research & Development ('R&D') lab, adding equipment, employing technically / scientifically skilled manpower and continuously upgrading their exposure and research understanding towards the areas of interest of the Company.
- (d) Our proficient and experienced scientists/engineers continue to focus on delivering high-tech, proactive and cost-effective metering solution & power backup/conversion technologies.
- (e) The Company continues to make an effort for research in the area of inventive range of products with latest technology and skilled scientific/technical team.
- (f) New programs being undertaken by the Company will further help in making available new and efficient products.

### 2. Benefits derived as a result of the above efforts:

- (a) Enabled to provide total customized solutions at affordable price to our customers.
- (b) Enabled to offer an extensive range of products/services to our customers.
- (c) Strong pipeline of products/services to secure future of the Company
- (d) Enhanced efficiencies, cost competitiveness and better product range.
- (e) Offered products with a superior technology advantage, which are expedient and safe for the customers.

## ANNEXURE-I TO THE DIRECTORS' REPORT

- (f) Self-reliant in technology development & manufacturing.
- (g) Improvement in operational efficiency through better use of technology and simplification of processes.
- (h) Optimum utilisation of indigenous raw materials.

### 3. Information regarding Technology imported during the last 5 years: NIL

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities relating to export, initiatives taken to increase export, development of new export market for products and services, and export plans are given in the Management Discussion and Analysis Report (an Annexure to the Directors' Report).

- (b) Total foreign exchange used and earned: (Rs. in Lacs)

Particulars	2010-11	2009-10
<b>Foreign Exchange Earnings</b>		
Export Sales (FOB) and Services <b>(Total Earnings)</b>	<b>414.33</b>	<b>605.72</b>
<b>Foreign Exchange Outgo</b>		
Travelling Expenses	34.85	10.55
Professional Consultancy	6.08	2.77
Exhibition and Fair Expenses	5.50	3.52
Membership and Subscription	-	1.17
Office Expenses	0.02	5.28
Fees and Taxes	27.60	-
Import of Raw Materials and Components	11,338.38	7,266.32
Import of Capital Goods	401.15	161.48
Import of Store, Spares and Consumables	-	0.34
Investment	-	345.38
<b>(Total Outgo)</b>	<b>11,813.58</b>	<b>7,796.81</b>

## ANNEXURE-II TO THE DIRECTORS' REPORT

#### GROUP

Persons and entities comprising "Group" as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969, for the purposes of Section 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, include the followings:

- Ishwar Chand Agarwal
- Shanti Devi Agarwal
- Kailash Chandra Agarwal
- Simple Agarwal
- Amit Kumar Agarwal
- Parul Agarwal
- Rajendra Agarwal
- Monisha Agarwal
- Jitendra Agarwal
- Anju Agarwal
- Manju Devi Todi
- Anand Todi
- Sharda Todi
- Ashutosh Todi
- Vishnu Todi
- Nishu Todi
- Aditya Todi
- Amrit Lal Todi
- Banwari Lal Todi
- Rubal Todi
- Rakesh Agarwal
- Himanshu Agarwal
- Richa Agarwal
- Narayan Prasad Todi
- Seema Todi
- Yash Todi
- K.C. Agarwal (HUF)
- Ishwar Chand Agarwal (HUF)
- Banwari Lal Todi (HUF)
- Phoosh Raj Todi (HUF)
- Anand Todi (HUF)
- R.K. Agarwal (HUF)
- N.P. Todi (HUF)
- Amrit Lal Todi (HUF)
- Baldev Kumar Agarwal (HUF)
- Bajrang Lal Todi (HUF)
- Amit Agarwal (HUF)
- Genus Apparels Ltd.
- Genus Electrotech Ltd.
- Genus Innovation Ltd.
- Genus International Commodities Ltd.
- Genus Paper Products Ltd.
- Hi-Print Electromack Private Ltd.
- I.C. Finance Ltd.
- J C Textile Private Ltd.
- Kailash Coal and Coke Company Ltd.
- Kailash Industries Ltd.
- Kailash Vidyut & Ispat Ltd.
- Virtuous Infra Ltd.
- Virtuous Urja Ltd.
- Vivekshil Dealers Private Ltd.
- CRG Trading & Finvest Private Ltd.
- Genus Prime Infra Ltd.
- M.K.J. Manufacturing Private Ltd.
- L M Sagar Exports



# MANAGEMENT'S DISCUSSION & ANALYSIS

## (Annexure to the Directors' Report)

### ECONOMIC REVIEW:

During the last few years, India has established itself as one of the highest growth rates economies in the world. In FY 2010-11, the gross domestic product (GDP) of India grew at 8.5% as against 8% in FY 2009-10 despite the heavy volatility in the domestic market, high inflation and the continuous jitter from the international economies. India's advance tax revenue grew 76.8% in the first quarter of the fiscal year 2011-12 to Rs 30,399 crores. It is showing that growth story is intact. Keeping in line with the international trends on recovering economies, India witnessed a strong economic recovery with a rebound in agriculture and continued momentum in servicing and manufacturing. However, it has been acknowledged that for sustaining the high GDP growth, the faster inclusive development is essential. In near term, GDP growth is expected to be moderate in view of rising inflation and interest rates. However, the medium to long-term prospect of Indian economy continues to be positive on the back of strong domestic demand. Economists estimate that the Indian economy will expand at the rate of 8-8.5% in 2011-12.

However, India needs to take note of the increasing requirement of superior infrastructure facilities for its industries and civil society. The Union Government has realized that the target of double digit GDP growth cannot be achieved without a comprehensive development of infrastructure. Hence, the governments are taking all possible steps through the planning, budgets and policies.

### POWER SECTOR-REVIEW AND OUTLOOK:

In today's world, electricity is extremely important in our daily lives. It is indispensable for all sections of society and economy to function and grow. Power sector is a very crucial for taking India's growth story forward. Therefore, the Government is continuously making every effort to meet its growth objectives by providing facilitating environment for the growth of power sector. The financial year 2010-11 has been a remarkable year for power sector with a record generation capacity addition. Electricity generation grew by 5.6% to 811.1 billion units in 2010-11 from 768.4 billion units in 2009-10. However it was marginally lower than the set target of 830.8 billion units. The generating installed capacity, which was mere 1,713 MW in 1950 rose to 1,74,361 MW at the end of April 30, 2011.

The per capita consumption of electricity increased from 15 kWh in 1950 to 734 kWh in 2008-09. Up to March 31, 2011, 5,37,947 villages have been electrified and 1,71,67,631 pump sets have been energized. However, still around 10% villages are to be electrified

and 15% pump sets are to be energized. India needs to significantly raise its power generation capacity to reduce peak hour power shortage and provide electricity to all including its rural households.

India has been beset by a large energy deficit. According to Central Electricity Authority ('CEA'), the total energy deficit was 8.5% and peak energy deficit was 9.8% during 2010-11. In April, 2011, India's peak power deficit widened to 10.8% from 10.3% in March, 2011.

Even though of the fact that the power sector has registered a significant progress since India's independence, the imbalance between electricity demand and supply in India is continuously widening. The significant growth in economy has resulted in extensive use of electricity in all the sections of the economy. Recently, the Planning Commission said that the country needs at least 1,00,000 MW of new power capacity addition during the 12th Five Year Plan. In order to achieve inclusive and sustainable growth of economy, India needs to focus on meeting its electricity demand.

In light of this, it is stirring to note that the Government, in the recent Union Budgets, has given utmost priority to the Power Sector by doubling the allocation and aiding to new generation capacities. The allocation for the power sector has been increased by around 10% to Rs.72,754 crores in budget 2011-12 from Rs.66,097 crores in budget 2010-11. The allocation for Rajiv Gandhi Grameen Vidhyutikaran Yojana (RGGVY) under the Bharat Nirman Yojana increased to Rs.6,000 crores from Rs.5,500 crores. Further, Rs.2,034 crores has been allotted to Re-structured Accelerated Power Development & Reform Programme (R-APDRP).

We believe that the Government's spirit and proactive efforts to implement the power reforms rapidly would pave the way for further industrialization and development of an efficient, commercially viable and competitive power sector. It enables to achieve inclusive economic growth.

### POWER TRANSMISSION AND DISTRIBUTION SECTOR-REVIEW AND OUTLOOK:

An efficient, secure and reliable power supply system/infrastructure is the key ingredient for a competitive and commercially viable power sector. It is also a prerequisite for the deployment of smart grid technologies.

The power supply system consists of generation, transmission and distribution of electricity. It needs an efficient, secure and reliable infrastructure that includes physical and other processes controlled by automation

# MANAGEMENT'S DISCUSSION & ANALYSIS

## (Annexure to the Directors' Report)

systems. Subsequent to nuclear damage in Japan due to earthquake and tsunami, there is a need to focus on automation. The automated, cleaner, smarter and more efficient electricity supply system is now essential for the future growth and security of our nation.

Unfortunately, India's power transmission and distribution (T&D) network is far below than the requirement set by the total installed capacity of electricity generation. Further it is plagued by high T&D losses, insufficient metering, low recovery of dues and obsolete T&D networks. The power transmission and distribution losses have been estimated at a cumulative Rs.68,000 crores in FY 2010-11. The cash losses of SEBs and distribution companies have jumped at Rs.28,400 crores. To bring down the huge T&D losses through better monitoring and control, the extensive use of latest and reliable integrated technologies along with information technology (IT) in power transmission and distribution are indispensable.

While the Government through its policies and budgetary provisions has embarked on an effort to develop proper environment for SEBs and other Utilities, the desired results cannot be achieved unless the T&D sector gets a superior attention and investment.

### **ELECTRONIC METER INDUSTRY- REVIEW AND OUTLOOK:**

In the last few years, the Indian meter manufacturing industry has registered significant growth on the back of government's ongoing power sector reform programme particularly RGGVY and now R-APDRP and focus on reviving of power distribution sector. The industry grew with 21 per cent compounded annual growth rate (CAGR) between 2004-05 and 2009-10. The rapid growth was mainly due to the government directive to all power utilities to use only electronic energy meters. As per the Indian Electrical and Electronics Manufacturers' Association (IEEMA), around 16 million meters were sold during 2009-10 and registered over 11% growth. During the Year 2009-10, sale of single phase static meters grew by 38% and poly phase meters declined by 25% despite increase in exports. The share of electromagnetic meters has further reduced to 4.5%. Power utilities continue to procure highly efficient, smart and secured meters for Transformers, Feeders and Residential consumers.

Over the next few years, the demand for electronic meters is expected to remain escalating mainly on account of the Government's continuous impetus on 100% metering of power supply connections through various regulations, policies and reform programmes. Further the replacement requirement of old/electromechanical meter will create the additional

demand for electronic meters. The current supply of electronic meters does not meet the demand of various SEBs and private utilities. Further looking to the overall scenario of Indian power sector, the demand for electronic meters is expected to reach 18-20 million units by 2011-12.

In India, smart metering is emerging as the focus area for power distribution utilities for overall better energy management, improving billing & collection efficiency and preventing power theft. Smart metering is relatively an advanced metering technology consists of automated meter reading (AMR), real-time energy pricing and control of energy load by the consumer and utility companies. It covers residential, commercial and industrial customers.

### **GENUS' KEY BUSINESS AREAS- REVIEW, OUTLOOK AND OPPORTUNITY:**

#### **(A) METERING SOLUTIONS:**

##### **(i) REVIEW AND OUTLOOK:**

Genus is one of the world's leading smart metering solution providers. In fact, Genus has been a pioneer in providing an extensive range of secured, intelligent, automated and integrated metering solutions for power transmission and distribution sector. Our products/services facilitate the power utilities to bring down the huge T&D losses through better monitoring and control at every possible stage. With the avant-garde facilities, R&D lab and use of information technology, it continuously help SEBs and other power utilities in meeting their technological and commercial challenges.

Our portfolio ranges from residential single/three phase meter to industrial/high-end programmable multi-functional intelligent metering solutions such as Industrial Meters, Sub-station Meters, Agricultural Meters, Audit Meters, Group Meters (Low Voltage / High Voltage Distribution System), Grid Meters, Prepaid Meters, Distribution Transformer Metering System, Feeder Monitoring and Management System. We also provide comprehensive billing software solution using AMR techniques, Electricity Management Server and many other innovative products and services to improve revenue collection efficiency and customer care services of power utilities. The services and products of Genus have been well recognised and adopted by the SEBs and private utilities, which is well reflected in the repetitive orders received from them.

Metering Solution Division continued to be our thrust area of business. During the year under review, the sales increased by 28% to Rs.36,030.03 lacs from

# MANAGEMENT'S DISCUSSION & ANALYSIS

## (Annexure to the Directors' Report)

Rs.28,126.71 lacs reported in the previous year ended March 31, 2010. The production of meters witnessed a growth of 4.92% to 29,19,865 electronic energy meters in FY 2010-11 from 27,83,019 meters in FY 2009-10. Genus sold 26,62,234 meters in FY 2010-11 as against 26,73,174 meters in FY 2009-10. Genus, with an installation base of over 150 million meters, is a leader in advanced power metering solutions. Our customer includes leading private electricity utilities (Reliance, Tata Power, Torrent Power, CESC, etc.), public sector units (NTPC, NHPC, Power Grid Corporation, etc.) and almost all state electricity boards.

We are continuing to strengthen this business through increasing product portfolio and continuous upgradation of technology to provide the latest smart metering solutions to our customers. To lead the future and drive growth, Genus recently launched a range of new/improved products/services such as integrated solution for Distribution Transformer metering, which includes metering and communication capability named "SAMPOORNA", communication capabilities using 'Zigbee' technology for smart metering, energy meters with IR communication capability, meter with LPR (Low Power Radio) as per new allotted frequency Band by WPC, closed loop system for dual sources meters in Building Automation segment, Poly Phase Meters of all categories as per Indian Companion DLMS specification to meet the requirements of Govt. of India's initiatives under R-APDRP projects, Data Concentrator Unit for automatic communication, which enables timely and error-free billing and provides real time profile for energy conservation, improved Group Meter with GPRS technology for on line monitoring, improved meter for substation and grid metering with AMR and data analysis software for Feeder management etc. Visualizing the needs/expectations of the Indian Power System and to become stronger and competitive, Genus has stepped into future to provide intelligent, automated and reliable integrated technologies with the extensive use of IT.

With India targeting a huge addition in power generation capacity and the supportive policies for the sector, domestic demand for highly efficient, integrated and advanced metering solutions, is expected to be significant over the next few decades. Capitalizing on this opportunity, Genus is expanding its base in a phased manner.

### (ii) OPPORTUNITIES:

#### (a) In Domestic Market:

With the unmetered consumer segments, deficient transformer & substation metering and unavailability of baseline data, accurate energy accounting remains

obscure in the Indian power distribution system. This leads to inefficient tariff determination and huge T&D losses. In this scenario, accurate energy accounting with the use of advanced technologies such as smart metering, use of IT in metering etc. has become extremely indispensable, specially to get better efficiency, theft reduction to reduce T&D losses and thereby improve revenue collection. To make themselves, commercial viable, power distribution utilities are now completely focusing on 100% metering. Further, they have been replacing electromechanical meters with electronic energy meters.

The government through the Re-structured Accelerated Power Development & Reform Programme ('R-APDRP') has renewed its efforts to establish reliable and automated systems for sustained collection of accurate baseline data and implement energy accounting system in all Power utilities. The main focus of this Rs.51,577 crores scheme is on reducing Aggregate Technical and Commercial (AT&C) losses in the SEBs. In R-APDRP projects, metering plays a crucial role. Under the programme through upfront grant, SEBs and utilities are being encouraged to establish baseline data, implement distribution transformers & feeders metering and implement energy accounting/auditing based on IT. Moreover, to get R-APDRP assistance, SEBs and utilities have to ensure that all input points are identified and metered with downloadable meters for energy inflow accounting in scheme area, all outgoing feeders are to be metered in substation with downloadable meters and scheme area should be ring fenced i.e. export and import meters for energy accounting shall be ensured besides segregating the rural load of the scheme area by ring fencing if not on separate feeder. Recently, the Hon'ble Union Finance Minister allotted Rs.2,034 crores to R-APDRP under the Central Plan Outlay in budget 2011-12. The stimulus package from the R-APDRP will boost the demand of smart metering system.

Also the Electricity Act, 2003 has mandated that distribution utilities shall install correct meters in accordance with regulations.

Also the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 has mandated that all non-static meters shall be replaced with static meters, which confirm the type, relevant BIS standards, anti-tamper feature etc. as specified in the Regulations, for accounting, billing and audit of electricity.

Indian power utilities are gearing up to transform the transmission and distribution system into a smart grid to create a fully integrated network, which is need of the future Power sector of India. And the smart meter is

# MANAGEMENT'S DISCUSSION & ANALYSIS

## (Annexure to the Directors' Report)

foundation stone of future smart grid. The policy push on building smart grid infrastructure will necessitate the deployment of smart metering system only, as under the smart grid, a smart metering is necessary to analyse in real time what each customer is consuming from the grid and delivering into the grid.

Many power utilities are offering Time-of-day (ToD) metering. It is a rate option where a meter that records demand, time, and energy usage, is installed in place of the existing electrical meter. This benefits utilities by decreasing the required capacity and also provides an opportunity to customers to reduce their bill by providing reduced demand and usage rates during off-peak times. This segment offers a huge market for polyphase type of meters covering high value consumer segments such as high tension (HT) industrial and commercial consumers in the distribution utilities.

Nowadays for better energy management by monitoring the consumption of electricity, improved revenue collection and curtailing energy pilferage, the power distribution utilities are implementing the emerging metering technologies such as Prepaid Metering and Automated Meter Reading (AMR). Genus perceives a great opportunity in this area.

Many utilities are opting for double metering for large industrial commercial consumers, wherein meters are installed both on the consumer premises and electricity poles. This enables the utilities check meter tampering and billing through the process of MRI downloads.

Furthermore, the Government's target to provide power to all and total rural electrification also offers a tremendous business opportunity for the metering industry.

Furthermore, the expansion of cities and housing sector due to ever increasing population and rapid growth of Indian middle class would also boost the requirement of new meters.

Genus is confidently offering its products and services to achieve the objectives of efficient and commercially viable power distribution sector.

### **(b) In Overseas Market:**

Genus has walked a mile ahead to bolster its growth in overseas markets. Genus has now adopted a focused approach and has identified certain high potential countries pertaining to South East Asia and Africa. Of late, countries falling in the region of South East Asia have witnessed huge influx of funds in the power sector propelled by a substantial growth in their economies. The erstwhile Dark Continent of Africa is also in the lime light in the wake of funding by international multilateral agencies for electrification projects. A huge requirement for prepayment meters exists in countries like Nigeria, South Africa, Tanzania, Kenya etc. and the

utilities there intends to reap the rich benefits of advance (upfront) cash flows. In order to cash on this opportunity, Genus had gone for the SABS (South Africa Bureau of Standards) Certification for its prepayment product line, which in turn will open new avenues of business in Africa.

Genus has now adopted a rigorous criterion for selecting its partners in the Middle East countries, where the market exists for existing Genus range of meters with slight modification. It's a technology driven market that can accrue premier pricing for its requirements but it is not high in terms of volume. This market has been identified keeping in mind the Company's high end precise accuracy meters supported by the AMR technology.

In order to optimize on the expenses for new ventures in new countries, the Company has tried to create a synergy between the market requirement and its existing product portfolio. Accordingly, efforts and resources have been streamlined to tap the potential visualized. The Company intends to make foray in these markets on its own and has strategic plans to make a global presence. To achieve this objective, the Company intends to leverage its technical acumen of setting up assembly lines, tool development etc. for the local partner.

Consistent efforts are on to make Genus products acceptable in the target markets. Genus's three phase whole current meter has been successfully type tested at KEMA, Holland. It is to be noted that KEMA enjoys the reputation of world's most renowned laboratory for testing of electrical and measuring instruments. Single phase prepayment & three phase whole current meter have also been awarded with the life expectancy certificate of 18 years & 10 years respectively by SGS, UK conforming the life of meters in terms of years and more importantly in line with the guidelines of OFGEM, UK (The Office of Gas and Electricity Markets). Certified life time for the meter from an International agency has always been a mandatory requirement as far as international bid participation is concerned. Genus is working towards local certifications necessary to compete in the focused countries. With the above efforts coupled with meter demand poised to scale new heights across the globe, Genus is well prepared to carve its share in the metering market in the coming years.

### **(B) ENGINEERING, CONSTRUCTIONS AND CONTRACTS ('ECC') IN POWER SECTOR:**

#### **(i) REVIEW AND OUTLOOK:**

To meet the extensive demand of growing power transmission and distribution sector, Genus ventured into the business of undertaking engineering,



# MANAGEMENT'S DISCUSSION & ANALYSIS

## (Annexure to the Directors' Report)

construction and contracts (ECC) on turnkey basis. We integrated our immense experience and expertise in the electronic industry to setup a specialized division fully oriented to the ECC projects in power T&D sector and in a short duration, Genus has become the established and successful player in this field.

Genus offers reliable, secured and integrated solutions for modification and augmentation of transmission and distribution system, aimed at improving the overall performance and reliability of power T&D system. Genus turnkey ECC service covers engineering (including engineering & economic feasibility studies, project design, etc.), procurement, installation, inspection, testing and commissioning of every equipment and electric products, system integration, civil construction, etc. We also conduct energy accounting and auditing at all distribution points and monitor power distribution billing using AMR technology. We also provide daily operation management services and maintenance services to the power T&D network.

Besides designing, erection, testing and commissioning of new substations, Genus is also engaged in capacity augmentation, renovation and modernization of existing substations. Genus is undertaking various rural electrification projects on turnkey basis under the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). Genus also takes up the construction, maintenance, modernization and augmentation of Transmission & Distribution Lines on Turnkey basis. Genus carries out projects on turnkey basis for providing three phase electricity connections to agriculture consumers.

Genus has successfully completed many prestigious ECC projects in power T&D sector in various states of India and proved its expertise in the field by successfully reducing T&D losses, improving energy efficiency and revenue collection of power utilities through proven technologies like AMR, smart metering, etc.

Genus continued to selectively participate in projects with advanced technologies that provide reasonable margins. In FY 2010-11, the revenue from its ECC contracts business slightly decreased by 2% to Rs.30,660.05 lacs from Rs.31,207.65 lacs in FY 2009-10. With proven technological excellence and expertise in ECC contract business in Power T&D sector, Genus continued to be one of the biggest beneficiaries of the Government's ambitious ongoing power sector reform programme.

### (ii) OPPORTUNITIES:

Currently, India is a power deficit country. Furthermore a huge percentage of the total electricity generated is lost in transmission and distribution mainly due to

inadequate and old T&D network. The high Aggregate Technical and Commercial ('AT&C') losses of power utilities due to inadequate metering, power theft and poor recovery of dues, has been identified as one of the major bottlenecks of power sector. Due to rapid expansion of economy and growth of middle class population, the demand for more reliable and secured electricity is continuously rising. To ensure the availability of electricity for the entire country, an adequate expansion of regional integrated transmission and distribution network is necessary.

Realizing the importance of the power sector and to achieve the target of 'power for all', the Government of India has taken the various legislative and policy initiatives. Further identifying the imperative requirement of reducing high AT&C losses and improving the quality of power delivery, the special focus has been given on implementing distribution reforms. The government initiatives include the enactment of the Electricity Act 2003 which provides for a legal framework for more competitive, transparent and commercially viable power sector. As a result of the Act that caused the compulsory unbundling of the state electricity boards to improve their operational efficiencies; the demand for better transmission and distribution equipments is growing rapidly.

'R-APDRP', a central scheme of the Government is driving the growth and strengthening of power distribution network/sector in urban areas. Under this programme, the focus is on the sustained loss reduction, establishment of reliable and automated systems for sustained collection of accurate base line data, and the adoption of Information Technology in the areas of energy accounting through regular distribution strengthening projects. Within the programme, utilities are being offered incentives / grant for renovation, modernization and strengthening of Sub-stations, Sub-transmission Lines, Distribution Transformers, replacement of electromagnetic energy meters with Tamper Proof Electronic Meters, etc. in order to reduce AT&C loss.

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), a central government scheme for rural electricity infrastructure and household electrification, aims at 100% electrification of villages and habitations, providing access to electricity to all rural households and free connection to BPL families. The scheme to be implemented requires the basic infrastructure like rural electricity distribution backbone with sub-station of adequate capacity, village electrification infrastructure with provision of distribution transformer of appropriate capacity, etc. Under the scheme, the concerned State/State Utility is being encouraged by giving ninety per cent capital subsidy to operationalise the scheme in the State. To boost up the scheme, the allocation under the recent budget for RGGVY under the Bharat

# MANAGEMENT'S DISCUSSION & ANALYSIS

## (Annexure to the Directors' Report)

Nirman Yojana has been increased to Rs.6,000 crores from Rs.5,500 crores.

The Ministry of Power (MoP) in collaboration with the United States Agency for International Development (USAID) and Government of India has designed an innovative program called the Distribution Reforms, Upgrade and Management (DRUM) Project to improve the quality of electricity services in India, accelerate the pace of reform in distribution sector with a special focus on improving the nation's rural energy supply situation.

The National Electricity Policy notified under the Electricity Act 2003 by the Central Government aims at accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders keeping in view availability of energy resources, technology available to exploit these resources, economics of generation using different resources, and energy security issues.

The Asian Development Bank (ADB) has been supporting power sector reforms in India during the preceding several decades. And in the coming years, ADB is set to play a great role in the areas of T&D and functioning of the Electricity Act, 2003. In the next five years, ADB plans to invest over \$5 billion in the energy sector with a focus on capacity expansion with efficiency improvement through reform measures being undertaken and private sector participation.

The existing scenario of Indian power sector and the Government's impetus on the transmission and distribution sector reforms and investments therein are creating a phenomenal growth opportunity for the ECC contractors in power T&D sector. We are upbeat about our prospects due to the huge opportunity available in power sector.

### (C) POWER BACKUP/CONVERSION SOLUTIONS:

#### (i) REVIEW AND OUTLOOK:

Backed by Sine Wave Technology, Genus provides a wide spectrum of Inverter and UPS for the commercial and residential end-users. Our solutions with many advanced features like Auto Sense Intelligent Control (ASIC), Digital Signal Processor (DSP), etc. ensure clean, safe and high quality power supply and thus enhance life and efficiency of electronic products/applications. Our in-house R&D lab enables us to deliver advanced and innovative products and services at affordable price. Given the vast experience of electronic industry and state-of-the-art manufacturing facilities, Genus is able to design and develop Inverter/UPS of the desired specifications and needs, keeping in synergy with the consumer expectations. Genus has very wide network in India to

offer prompt and efficient services to customers.

Genus Sure Sine Wave Inverters (600VA to 1400VA) based on DSP based technology that uses Auto Sense Intelligent Control (ASIC) ensure 100% safety and longer life of appliances and batteries as these give same power quality as appliances get from the mains.

Genus presents an alternate to 'Genset' for running high load demanding appliances and systems. Its higher KVA Inverters (2.5KVA to 40KVA) with Sure Sine Wave technology and ASIC technology ensures 100% safety and longer life.

Genus offers a superior On-Line UPS (Uninterrupted Power Supply) System (1KVA to 60KVA), which allows power source even in case of a power failure to protect critical and sensitive equipments from the electrical disturbance. It is ideal for critical load/applications like Network servers, Bridges, Hubs, Routers, Storage devices, Medical equipments, Industrial products, Telecommunication systems, ATM machines, Colour labs, Local Area Network (LAN), Embroidery machines, Satellite systems, Moulding machines, etc.

Genus Sure Sine Wave Home UPS (600VA to 5KVA) with an in-built UPS runs home appliances and computers uninterrupted during power cuts. It is ideal for computers. It protects the appliances and computers from short circuit and reverse phase and ensure the same power quality as you get from the mains. It also ensures longer battery life and has wide charging range.

Genus Automatic Lift Backup System is cost-effective and compact solution to ensue seamless lift operation even when there is a power cut. Its features include automatic controlled, noiseless operation, environment friendly, built-in protection like Overload, Short-Circuit, Over Voltage, Regulated Voltage and Frequency, Built-in emergency landing facility, no extra accessories panel, acoustic cover etc. It requires very less space and its' battery utilizes power only when the load is applied.

In FY 2010-11, sales of power backup solutions business decreased to Rs.5,115.87 lacs from Rs.5,583.78 lacs in FY 2009-10. The Company manufactured 1,49,872 Inverters & UPS as against 1,45,925 in the previous financial year 2009-10 and sold 1,21,288 as against 1,37,263 in 2009-10.

#### (ii) OPPORTUNITIES:

##### (a) Domestic:

Electricity is one of the basic needs in our daily lives. It is equally important for economic development, education and overall human development mainly in rural and remote areas. In India, due to high GDP growth, expansion of cities and growing middle-class

# MANAGEMENT'S DISCUSSION & ANALYSIS

## (Annexure to the Directors' Report)

population, the demand of electricity is mounting rapidly. Despite huge efforts in power generation capacity addition in recent years, the supply remains short of demand. Hence for bridging the gap, the development of sustainable substitute conventional and non-conventional, both sources of energy is essential.

The Inverters/UPS of today are a lot different in terms of usage and what the consumer expects from today's Inverter. With the changing lifestyles and accompanied affluence, usage of Inverter for providing backup for bulbs and fans is passé. The consumers are increasingly looking for power backup solutions for their lifestyle products including but not limited to running a Washing Machine, Microwave Ovens, Air Conditioners, Water Pump/ Motor, Mobile Chargers, Ironing, LCD Televisions, etc. Further to enhance the life and efficiency, every electronic application needs to run safely without deterioration and disruption of electricity, which could lead to breakdown and huge maintenance costs. Uneven supply of electricity could result in major losses or even accidents specially in commercial spaces.

Hence, the domestic demand for high efficient, safe and advanced power backup solutions is expected to boom over the next few decades. With unmatched superior power backup solutions coupled with in-house R&D lab and the state-of-art manufacturing facilities, Genus is ready to tap the tremendous opportunity existed in this field.

### (b) Overseas:

Genus continues to build on its vision to be global player in Power Backup Solutions. Genus has started aggressively working to strengthen its market presence in developing nations in the regions of Africa, Middle East, SAARC countries and North America. The main focus of Genus is to consolidate channel network in these selected countries thereby establishing a strong platform for launching its new range of Energy products. The power back up solutions comprising Inverters and UPS have been well accepted by most emerging nations as a cost effective solution to their power crisis. With increasing power shortage in developing countries and Government initiative towards green energy, Genus is poised to capture a sizeable overseas market share for its power back up solutions. With continuous new developments and additions in its UPS / Inverter product portfolio, the company expects the growth momentum to continue for this division in the coming years.

### RISK AND COMPANY'S MEASURES FOR MITIGATION OF RISK

The Company has formulated various policies and adopted appropriate strategies to minimize changing global risks pertaining to its business and operations. Further the Company has a separate and proficient Risk Management team, which continuously ensures appropriate recognition, evaluation, judgment and reporting of risks both internal and external. It implements vigilant strategies and practices across its all functions. The periodical review on prevailing strategies & procedures is done by the top management. The review includes understanding the existing risk management initiatives, identification and assessment of risks and arriving at the appropriate control measures. Also, regular training programs on Risk Management are organised for the concerned employees/departments. It helps in identifying the potential risks in advance and enables to take suitable measures so that project progress remains un-impacted.

Some of the major risks, their impacts and measures undertaken by the Company are as follows:

#### Delays in execution of Turnkey ECC projects

**Impact:** The Company's turnkey ECC project business may face challenge of delay in timely execution of projects mainly because of various procedural clearances/ approvals and shortage of materials/ equipments and manpower. This could lead to delays in payments thereby disturbing the working capital cycle and increasing the overall cost of the project.

**Measure:** With the past experiences, the management periodically reviews the activities & development of projects to ensure timely & successful completion and adopts the appropriate strategies/techniques to minimise the anticipated risk.

#### Competition Risk

**Impact:** The growing presence of global participants and local unorganized players in the field is a challenge for the Company. It may affect turnover and profitability of the Company.

**Measure:** Driven by spirit of innovation, armed with globally competitive in-house R&D lab, the Company is able to develop new products/services with distinct features by using IT and latest technologies, which provide the competitive advantage to the Company. Further its state-of-the-art manufacturing facilities strategically placed in "Tax Holiday" zone in India enables the Company to offer unmatched quality at a competitive price.

# MANAGEMENT'S DISCUSSION & ANALYSIS

## (Annexure to the Directors' Report)

### Cost Inflation Risk

**Impact:** Escalation in raw material prices coupled with the global price hike in raw materials due to growing demand and shortage of raw materials may cause cost inflation and affect the profitability of the Company.

**Measure:** The Company has adopted new strategies and practices to reduce/adjust the impact of fluctuation in raw materials costs. Now the majority of the contracts contain escalation clauses, which ensure to compensate in the case of rise in input costs. The process of estimation of projects is being carried out in case of non escalation contracts with the vision to protect the possible increase in the inputs of the contracts.

### Liquidity Risk

**Impact:** The liquidity position of the Company may be affected due to delays in recovery of dues and may negatively impact the operations and earnings of the Company.

**Measure:** The management formulates strategies and takes necessary actions to collect the dues from clients in time to ensure smooth flow of funds. The short term fund requirements are fulfilled by obtaining working capital facilities from Banks/FIs.

### Frequent Change in Technology

**Impact:** The Company faces a tough challenge to sustain and grow in the market which is prone to rapid emergence of new technology and obsolescence of products.

**Measure:** Equipped with in-house R&D lab recognized by the Ministry of Science & Technology, Government of India and accredited with 'National Accreditation Body for Testing Labs' (NABL), a dedicated team of highly experienced scientists/engineers continuously improves the quality of products/services and develops new products/services for diversification. This enables Genus to remain self-reliant in technology up-gradation, innovation and providing customized solutions to its customers.

### Interruption in Procurement of Material and Fluctuation in Pricing thereon

**Impact:** Some of the components and materials are procured from international suppliers; availability and pricing of such materials depend on global situation.

**Measure:** The Company has an adequate inventory management system, which ensures uninterrupted supply of raw materials. A separate dedicated department ensures efficient production planning and

control in order to bring about the desired manufacturing results in terms of quality, quantity, time and cost. The Company's new strategies and practices enable it to reduce/adjust the impact of fluctuation in raw materials costs.

### Legislative Changes Risk

**Impact:** Legislative changes resulting in a change in the duties and taxes and uncertainties with government policies and priorities can affect operations.

**Measure:** The role of power sector in the growth of economy of India ensures the continuous attention and investment of the Government in this sector. As a result, the future outlook of the Company remains flourishing. Further, in order to accelerate the growth and for meaningful diversification, the management continues to put in place sustained efforts to explore newer and wider horizons.

### Fluctuation in Foreign Currency Exchange Rate

**Impact:** Since the Company receives a portion of its revenues and incurs a part of its expenses in different foreign currencies and therefore if there is an adverse change in the foreign currency exchange rates that may negatively impact the Company.

**Measure:** The management has adopted conservative foreign exchange risk management policies.

### REVIEW OF FINANCIAL PERFORMANCE

The financial performance of the Company has been given separately in the Directors' Report.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Genus has adequate and well-defined internal control systems, which are commensurate with nature of its business and size of its operation. These systems are strictly followed by each department to ensure effectiveness of functions in conformity with internal guidelines, policies, code of conducts, applicable rules & regulations. Genus has well defined policy and procedures to maintain the highest standards of health, safety and environmental norms while maintaining operational integrity ensuring consistent growth of the Company and thus enhancing value of investment made by the stake-owners.

Some of the imperative features of the Company's internal control systems are as follows:

- An internal audit department led by qualified

# MANAGEMENT'S DISCUSSION & ANALYSIS

## (Annexure to the Directors' Report)

personnel who play an important role in implementing and monitoring the internal control environment and compliance with statutory requirements.

- A well-defined organizational structure describing clear authority levels and detailed internal guidelines for conducting business.
- A comprehensive budgetary control system, the actual performance of which is periodically reviewed.
- An efficient IT Infrastructure and well defined Information Security Policy.
- Ensures that all the assets of the Company are secured and sheltered against any loss.
- An appropriate and authorised system for recording all the transactions ensuring the reliability of the accounting system.
- An efficient system ensuring consistent, accurate, and speedy compilation of financial information.

Further, the Company's Audit Committee comprising independent and experienced Directors periodically reviews the financial statements, findings of audit & internal control systems and report of compliance officer.

### CORPORATE SOCIAL RESPONSIBILITY

Since inception, Genus strongly follows its philosophy of "SERVICING SOCIETY THROUGH INDUSTRY" and constantly endeavors to give back to the society what it has received from it. We believe that though it is important for any enterprise to achieve growth in its revenues and other aspects of business but at the same time it is also very important to fulfill its social responsibility by creating inimitable values. These values will have an optimistic impact on society and people and will last for a longer period.

Keeping these in view, as part of Corporate Social Responsibility activities, Genus has set up an Industrial Training Institute (ITI) to develop skills in rural areas for making rural youth employable or set up their own small workshops in villages to earn their livelihood with pride.

Through Todi Agro Foundation, the Company sets up demonstration farms for cultivation of Jatropha plantation by local farmers on their wasteland. Local farmers are being provided with seedlings and farm loans for setting up Jatropha plantations. Jatropha oil is being used in India as biodiesel for the diesel fuel requirements of remote rural and forest communities. Jatropha oil can be used directly after extraction (i.e. without refining) in D.G. sets and engines. Jatropha has the potential to provide economic benefits at the local

level since it has the potential to grow in dry marginal non-agricultural lands, thereby allowing villagers and farmers to leverage non-farm land for income generation. As well, increased Jatropha oil production delivers economic benefits to India on the macroeconomic or national level as it reduces the nation's fossil fuel import bill for diesel production. It helps in minimizing the expenditure of India's foreign-currency reserves for fuel allowing India to increase its growing foreign currency reserves. And since Jatropha oil is carbon-neutral, its large-scale production will improve the country's carbon emissions profile.

These apart, the Company helped in providing around 15000 free plants for developing greenery within the manufacturing units as well as outside at several places in Rajasthan.

As welfare measure of society, the Company assisted in setting up a Mahila ward and rooms for residence patients in a Prakratik Chikitsalaya at Jaipur, through one of the trusts. It also helped by supporting a degree college in rural area to promote education at higher level for girls and boys in remote rural area of a village in Rajasthan, beside supporting society at large for social upliftment.

### HUMAN RESOURCES

The Company continues to have an excellent record of industrial relations, which remained harmonious during the year under review. The Company treats every employee with the same respect and dignity. The management always believes in the fact that the employees are the stepping stone behind every success of any organisation. They are the face of the Company for the outer world and the quality and performance of our employees depicts the ethics and philosophy of the Company. Therefore, the management always tries to do its best for the betterment for the employees and appreciates and motivates them to pursue excellence. It always endeavors to encourage and support all employees in developing their capabilities to the fullest and tries to provide them with the superb working environment in which they can flourish and move on the path of achieving the predetermined goals as per the Company's strategy.

The Human Resource team of Genus not only focuses on recruiting talents but also undertake responsibility for developing and retaining them through its continuous training and welfare programme. Therefore, during training programs, emphasis is given on development of professional capabilities, positive attitude, commercial competency and team building approach and thereby developing flourish work culture and safety standards. Genus believes that exceptional



# MANAGEMENT'S DISCUSSION & ANALYSIS

## (Annexure to the Directors' Report)

performance of every employee must be recognized and rewarded to enhance further devotion and inspiration. And therefore an annual performance appraisal process is followed with the view to fairly evaluate his/her performance, career growth options, job responsibility and job satisfaction. This has helped the Company to attract and retain the best talent across the industry as well as to build a pipeline of people with high potential for the next responsibility levels and taking up future leadership roles.

The Company provides various other amenities like organizing health check-ups, accidental insurance cover, Health insurance cover, cultural programs & competitions, etc. for employees and their families. The management always remains ready to help the employees at the time of any exigency. At present, the total employee strength of the Company is about 916.

### CAUTIONARY STATEMENT

Some of the statements made in this report and those appearing elsewhere describing the Company's objectives, projections, estimates, expectations or predictions, may be 'forward looking statements' within the meaning of applicable laws and regulations. The rationale behind the statements is to provide the investors/readers a better visualization of the Company's operation and future prospects so that they can make informed decisions. Since these statements are subject to certain risks, uncertainties and other factors, some of which are beyond the Company's control and are difficult to predict and therefore these statements are not guarantees of future performance. Actual results might differ from those expressed or implied. The Management has endeavored to identify all major risks and uncertainties that can affect the Company's performance elsewhere in this report, and investors are urged to consider these risks and uncertainties when evaluating our historical and expected performance. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.



# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

### A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Integrity, transparency, accountability and professionalism are the four pillars of our governance system. Genus believes that efficient Corporate Governance is essential to maintain public trust and to achieve business success. And therefore, we always try to ensure to achieve our performance goals with full sincerity. The Company always works towards achieving excellence in all its facet of its operations through socially and environmentally acceptable means. Genus not only believes in the compliance of the corporate governance as described in the Listing Agreement but also strongly follows other voluntary practices/procedures to protect the shareholders' interest and to ensure higher long term value for them. The Company operates within the established standards of respectability, justice and impartiality and aims at creating a culture of openness in relationships between itself and its stake-holders, employees, customers, creditors, business associates, lenders, Government and others.

### BOARD OF DIRECTORS ("The Board")

The Board of Directors is a body elected or appointed by the members of the Company to oversee the overall activities of the Company using the best corporate governance practices. The Board of Directors provides strategic direction to the operations of the Company, thereby ensuring higher long term shareholder value.

#### (i) Composition:

The Board has an optimum combination of executive and non-executive independent directors. As on today, the strength of the Board is twelve and out of which, five are executive directors, one is non-executive & non-independent director and six are non-executive & independent directors. The strength of the Board as on 31st March, 2011 was eleven directors, out of which five were executive directors, one was non-executive non-independent director and five were non-executive independent directors. Due to appointment of one non-independent director on January 24, 2011, the optimum combination of the Board was disturbed, which was optimized on 07th July, 2011 in due course as per clause 49(I)(C)(iv) of Listing Agreement.

The composition of the Board and categories of the directors, their attendance at the Board Meetings & Annual General Meeting, the numbers of Directorships and Committees positions in other companies are given below:

Name of the Director	Nature of Directorship	Promoter (P) / Non Promoter (NP)	Attendance at last AGM held Yes/No	No. of Board Meetings attended	No. of Directorships of other Indian Companies#	No. of other Board Committee Membership (Chairmanship) ##
Mr. Ishwar Chand Agarwal*	Chairman	P	Yes	09	07	NIL (NIL)
Mr. Kailash Chandra Agarwal	JMD**	P	N.A.	02	07	02 (NIL)
Mr. Rajendra Kumar Agarwal	ED***	P	No	10	01	NIL (NIL)
Mr. Jitendra Kumar Agarwal	ED***	P	No	08	02	NIL (NIL)
Mr. Giriraj Kishore Sharma	ED***	NP	No	09	01	NIL (NIL)
Mr. Vishnu Todi	NENID	P	No	06	01	NIL (NIL)
Wg. Cdr. (Retd.) B. S. Solanki	NEID	NP	No	10	02	02 (NIL)
Mr. Indraj Mal Bhutoria	NEID	NP	No	06	01	NIL (NIL)
Mr. Rameshwar Pareek	NEID	NP	Yes	09	07	04 (including 3 ) as Chairman)
Mr. Dharam Chand Agarwal	NEID	NP	No	10	01	02 (including 3 ) as Chairman)
Mr. Udit Agarwal	NEID	NP	No	10	NIL	NIL (NIL)
Mr. Naveen Gupta	NEID****	NP	N.A.	N.A.	04	NIL (NIL)

# The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

## In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies (excluding Genus Power Infrastructures Limited) have been considered.

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

\* Resigned from the post of Managing Director w. e. f. 24th January, 2011.

\*\* Appointed as director & Joint Managing Director (JMD) w. e. f. 24th January, 2011.

\*\*\* Non-Independent.

\*\*\*\* Appointed as director w. e. f. 07th July, 2011.

- ED - Executive Director
- NENID - Non-Executive, Non Independent Director
- NEID - Non-Executive, Independent Director

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956, except Mr. Ishwar Chand Agarwal, Mr. Kailash Chandra Agarwal, Mr. Rajendra Kumar Agarwal and Mr. Jitendra Kumar Agarwal, who are related to each other.

### (ii) Board Meeting and Procedure:

During the financial year 2010-11, ten meetings of the Board were held. The maximum time gap between any two meetings was not more than four calendar months. The Board meetings were held on the following dates: -

April 19, 2010	May 14, 2010	July 27, 2010	Aug 06, 2010	Aug 14, 2010	Sept 24, 2010
Oct 12, 2010	Nov 12, 2010	Jan 24, 2011	Feb 11, 2011	---	---

The Board meetings were convened by giving proper notice. The agenda including detailed notes thereon, of Board meeting was circulated to all Directors in advance. All possible documents were attached to the agenda but where impracticable to attach, were tabled before the meeting. The Directors on the Board have complete access to all information of the Company. The Company Secretary recorded the minutes of the proceedings of all the Board meetings and Committee meetings and same entered in the Minutes Book within the time frame and manner as stipulated under the Companies Act, 1956 and its rules and regulations.

### (iii) 'Code of Conduct & Ethics' for Directors and Senior Management Personnel:

The Company has well defined and comprehensive 'Code of Conduct' for all Board members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. All Board members and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company on annual basis. A declaration signed by CEO is given below:

"I, Mr. Rajendra Kumar Agarwal, Executive Director & CEO of the Company, hereby declare that the Company has obtained from all the Board members and the senior management personnel of the Company affirmation that they have complied with the code of conduct as applicable to them."

**Rajendra Kumar Agarwal**  
Executive Director & CEO

### (iv) Code of Conduct for Prevention of Insider Trading:

In pursuance of SEBI (Prohibition of Insider Trading) Regulation, 1992, the Company has formulated a Code of Conduct for prevention of insider trading. The Code is applicable to all the directors and personnel. The Code has guidelines in respect of procedures to be followed and disclosures to be made while dealing with shares of the Company. The trading window is closed at the time of declaration of results, dividend and all other material events. The Company takes yearly disclosure under the said regulation from the directors/officers/designated employees.

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

### COMMITTEES OF THE BOARD

Currently, the Board has five Committees viz. Audit Committee, Investors' Grievances Committee, Sales Committee, Remuneration Committee and Finance Committee. The Committees have adequate delegation of powers to discharge respective functions as well as to meet the requirements of the business of the Company. The details of the Committees constituted by the Board are given below:

#### (A) Audit Committee:

The Company has a qualified and an independent Audit Committee. Its members are financially literate and the Chairman has the requisite expertise and experience. The Chairman of the Audit Committee attended the previous Annual General Meeting of the Company to answer shareholders' queries. The powers of the Audit Committee are as under:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee are in line with the guidelines set out in the Listing Agreement with the Stock Exchanges and the provisions of section 292A of the Companies Act, 1956 and that inter alia include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - b) Changes, if any, in accounting policies and practices and reasons for the same ;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors for any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- Review of the following information:
  - a) Management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weaknesses; and
  - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Carrying out any other function as assigned by the Board of Directors.

During the year under review, six meetings of the Audit Committee were held on May 13, 2010, July 26, 2010, August 05, 2010, November 11, 2010, January 22, 2011 and February 11, 2011. The necessary quorum was present for all the meetings. The maximum time gap between any two meetings was not more than four calendar months.

The composition of the Audit Committee and attendance of its members at their meetings held during the year under review are as under:

Name of the Member	Status	Position	No. of Meetings	
			Held	Attended
Mr. Rameshwar Pareek	Chairman	Independent Non-Executive Director	6	6
Wg. Cdr. (Retd.) B. S. Solanki	Member	Independent Non-Executive Director	6	6
Mr. Dharam Chand Agarwal	Member	Independent Non-Executive Director	6	6

The Company Secretary of the Company acts as a Secretary to the Committee. The Statutory Auditors, the Internal Auditors, CFO and the Officer heading Accounts & Finance department of the Company are permanent invitees to the meetings of the Audit Committee.

### (B) Investors' Grievances Committee:

The composition of the Investors' Grievance Committee and attendance of its members at their meetings held during the year under review are as under:

Name of the Member	Status	Position	No. of Meetings	
			Held	Attended
Mr. Dharam Chand Agarwal	Chairman	Independent Non-Executive Director	6	6
Mr. Rameshwar Pareek	Member	Independent Non-Executive Director	6	6
Wd. Cdr. (Retd.) B.S. Solanki	Member	Independent Non-Executive Director	6	6



# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

The Investors' Grievance Committee meets as and when necessity arises. Any two members present form the quorum. The Company Secretary of the Company is the Compliance Officer and also acts as Secretary of the Committee.

The terms of reference of the Committee are as under:

- To oversee and review all matters related with transfer, transmission, transposition, dematerialisation, rematerialisation and mutation of securities.
- To approve issue of share certificates including duplicate, splitted/sub-divided or consolidated certificates.
- To oversee and review redressal of shareholders' grievances related to transfer, transmission, transposition, dematerialisation, rematerialisation, mutation of securities and issue of share certificates including duplicate, splitted/sub-divided or consolidated certificates.
- To look into redressal of shareholders' grievances relating to non-receipt of declared dividends, non-receipt of Annual Report, etc.
- To oversee the performance of the Registrars and Share Transfer Agents of the Company.

The Committee met six times during the year under review and the meetings were held on May 25, 2010, June 7, 2010, September 15, 2010, December 7, 2010, January 5, 2011 & February 15, 2011.

During the year under review, the Company received 13 complaints from shareholders and all were attended and resolved timely & satisfactorily. There was no pending complaint as on 31st March, 2011.

### (C) Remuneration Committee:

The composition of the Remuneration Committee and attendance of its members at their meetings held during the year under review are as under:

Name of the Member	Status	Position	No. of Meetings	
			Held	Attended
Mr. Dharam Chand Agarwal	Chairman	Independent Non-Executive Director	1	1
Mr. Rameshwar Pareek	Member	Independent Non-Executive Director	1	1
Wd. Cdr. (Retd.) B.S. Solanki	Member	Independent Non-Executive Director	1	1

The Company Secretary of the Company acts as Secretary to the Committee.

The terms of reference of the Committee are reviewing and recommending to the Board of Directors remuneration payable to Managerial Personnel from time to time and any other function as assigned by the Board of Directors. During the year under review, the Committee has met once on 22nd January, 2011. The Remuneration Committee meets as and when necessity arises. The Remuneration Policy of the Company is broadly based on the job responsibilities, performance and achievement of Managerial Personnel and is in consonance with the prevailing industry trend.

The details of remuneration paid to managerial personnel during the year 2010-11 are given below:

Name of the Director	Salary (Rs.)	Allowances (Rs.)	Perquisites* (Rs.)	Total (Rs.)
Mr. Ishwar Chand Agarwal, Chairman	67,20,000	16,80,000	8,16,220	92,16,220
Mr. Rajendra Kumar Agarwal, Executive Director	32,40,000	3,60,000	3,92,308	39,92,308
Mr. Jitendra Kumar Agarwal, Executive Director	32,40,000	3,60,000	3,90,495	39,90,495
Mr. Giriraj Kishore Sharma, Whole-time Director	19,80,000	-	-	19,80,000

\*Perquisites include contribution to Provident Fund.

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

No bonus & fees are payable to the managerial personnel and no Employee Stock Option has been offered to any of them by the Company.

Sitting fee paid to the non-executive directors of the Company during the year under review is given below:

Name of the Director	Amount (In Rs.)
Mr. Rameshwar Pareek	11,000/-
Wg. Cdr. (Retd.) B.S. Solanki	20,000/-
Mr. Indraj Mal Bhutoria	3,000/-
Mr. Dharam Chand Agarwal	11,500/-
Mr. Udit Agarwal	5,000/-

The numbers of shares or convertible instruments held by non-executive directors are as follows:

Name of Director	No. of Shares	Convertible Instruments
Mr. Rameshwar Pareek	NIL	NIL
Wg. Cdr. (Retd.) B. S. Solanki	10000	NIL
Mr. Indraj Mal Bhutoria	NIL	NIL
Mr. Dharam Chand Agarwal	NIL	NIL
Mr. Udit Agarwal	10000	NIL
Mr. Naveen Gupta (w.e.f. 07.07.2011)	NIL	NIL

Non-executive directors do not have any material pecuniary relationship and transaction with the Company, promoters and management, except as stated above.

### (D) Sales Committee:

The composition of the Sales Committee and attendance of its members at their meetings held during the year under review are as under:

Name of the Member	Status	Position	No. of Meetings	
			Held	Attended
Mr. Ishwar Chand Agarwal	Chairman	Chairman	17	15
Mr. Rajendra Kumar Agarwal	Member	Executive Director	17	14
Mr. Jitendra Kumar Agarwal	Member	Executive Director	17	15
Wg. Cdr. (Retd.) B.S. Solanki	Member	Independent Non-Executive Director	17	17

The Company Secretary of the Company acts as Secretary of the Committee.

The Committee reviews sales related matters and marketing strategies being followed, besides participation in tenders floated by SEBs, Private Utilities, etc.

During the year under review, seventeen meetings of the Sales Committee were held on 19th April, 2010, 06th May, 2010, 25th May, 2010, 15th June, 2010, 30th July, 2010, 26th August, 2010, 11th September, 2010, 01st October, 2010, 21st October, 2010, 03rd November, 2010, 29th November, 2010, 13th December, 2010, 23rd December, 2010, 15th January, 2011, 25th January, 2011, 18th February, 2011 and 21st March, 2011.

### (E) Finance Committee:

The composition of Finance Committee and attendance of its members at their meetings held during the year under review are as under:

Name of the Member	Status	Position	No. of Meetings	
			Held	Attended
Mr. Ishwar Chand Agarwal	Chairman	Chairman	10	10
Mr. Rajendra Kumar Agarwal	Member	Executive Director	10	10
Mr. Jitendra Kumar Agarwal	Member	Executive Director	10	10

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

The Company Secretary of the Company acts as Secretary to the Committee. The CFO and the Officer heading Accounts & Finance department of the Company are permanent invitees to the meetings of the Finance Committee.

The terms of reference of the said Committee were revised on 24.09.2010, which are as follows:

- Borrow moneys and exercise all powers to borrow moneys (otherwise than by issue of debentures) not exceeding Rs.2000 crore in aggregate at any time and taking all necessary actions connected therewith within the limit prescribed under law.
- Provide guarantee including performance guarantee, issue letter of comfort and providing securities and taking all necessary actions connected therewith (subject to compliances u/s 372 A of Companies Act, 1956).
- Review of banking arrangement and taking all necessary actions connected therewith including refinancing for optimization of borrowing costs (subject to overall limit of borrowing).
- Review of the Company's financial policies, strategies and capital structure.
- Review of working capital and cash flow management.
- Consider viability for issuance of new modes of securities including foreign funds subject to laws applicable.
- Advise on financial matters/policies in overall interest of Company.

The Finance Committee met ten times during the year under review and the meetings were held on April 01, 2010, April 28, 2010, June 05, 2010, September 20, 2010, October 12, 2010, October 29, 2010, November 12, 2010, January 12, 2011, February 07, 2011, and March 15, 2011.

### CEO/CFO CERTIFICATION

In pursuance to Clause 49V of the Listing Agreement, the certification on the financial statements for the financial year under review has been obtained from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company. The copy of said statement is enclosed at the end of this Report.

### GENERAL BODY MEETINGS

a) The location, date and time of last three Annual General Meetings are as under:

Year	Location	Date	Time
2007-2008	76, Defence Enclave, Vikas Marg, Delhi-110092	30.09.2008	3.00 P.M.
2008-2009	76, Defence Enclave, Vikas Marg, Delhi-110092	26.09.2009	3.00 P.M.
2009-2010	G-81, Preet Vihar, Delhi-110092.	17.09.2010	3.00 P.M.

b) The details of the special resolutions passed in the previous three Annual General Meetings are as under:

AGM	Subject of Special Resolution
16th (30.09.2008)	1. Amendment in articles of association of the Company. 2. Increase in salary of Mr. Ishwar Chand Agarwal, Chairman & Managing Director.
17th (26.09.2009)	1. Amendment in articles of association of the Company. 2. Re-appointment of Mr. Rajendra Kumar Agarwal as Executive Director & payment of remuneration. 3. Re-appointment of Mr. Giriraj Kishore Sharma as Whole-time Director & payment of remuneration
18th (17.09.2010)	1. Amendment in articles of association of the Company. 2. Re-appointment of Mr. Giriraj Kishore Sharma as Whole-time Director and increment in the remuneration payable to him. 3. Split of Face & Paid Up Value of Equity Shares of Rs. 10/- each into ten equity shares of Re.1/- (one) each fully paid and that Clause V (Capital Clause) of the Memorandum of Association and Article 4 of the Articles of Association of the Company relating to equity shares altered accordingly. 4. Authorisation for raising fund to the extent of USD 50 million or in Rupees equivalent thereof.

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

c) The details of ordinary/special resolutions passed through postal ballot during the financial year 2010-2011.

- **Amendment in Main Object Clause and Other Object Clause of the Company:** Pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, postal ballot process was undertaken by the Company for the purpose of obtaining the approval of the Shareholders by way of a Special Resolution under Section 17 of the Companies Act, 1956 for alteration in the Main Object Clause III(A) and Other Object Clause III(C) of the Memorandum of Association of the Company. Mr. C.M. Bindal, GDCS, FCS, MIIA, Practising Company Secretary & Corporate Consultant was appointed as the Scrutinizer for the postal ballot process. The last date for receiving the postal ballot forms was the closing hours of October 4, 2010. Based on the Scrutinizer's Report, the Chairman has declared the result of the postal ballot on October 6, 2010 at the registered office of the Company. The voting pattern on the postal ballot was, as follows:

S. No.	Description	Number
1	Total Votes	1,47,90,682
2	Total Votes Casted	60,28,471
3	Total Valid Votes Casted	60,28,471
4	Total Invalid Votes Casted	Nil
5	Total Valid Votes Casted in favour of the Resolution	60,28,471 (100%)
6	Total Valid Votes Casted against the Resolution	Nil

- **Authorisation to sell, transfer and/or dispose of the unit of the Company:** Pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, approval of the Shareholders of the Company was sought by means of postal ballot for passing of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 to sell, transfer and/or dispose of the unit of the Company situated at SP-4-2, Keshwana, (Kotputli), Dist.-Jaipur-303108 (Rajasthan) as going concern at such price and on such terms and conditions as may be decided by the Board of Directors or a Committee of Directors to be appointed for the purpose, in the best interest of the Company. Mr. C.M. Bindal, GDCS, FCS, MIIA, Practising Company Secretary & Corporate Consultant was appointed as the Scrutinizer for the postal ballot process. Based on the Scrutinizer's Report, the Chairman has declared the result of the postal ballot on December 18, 2010 at the registered office of the Company. The voting pattern on the postal ballot was as follows:

S. No.	Description	Number
1	Total Votes	14,79,06,820
2	Total Votes Casted	6,00,70,540
3	Total Valid Votes Casted	6,00,70,540
4	Total Invalid Votes Casted	Nil
5	Total Valid Votes Casted in favour of the Resolution	6,00,70,540 (100%)
6	Total Valid Votes Casted against the Resolution	Nil

### SUBSIDIARY COMPANY

The Company does not have any material non-listed Indian Subsidiary Company. However, the Audit Committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary company (which ceased to be subsidiary w.e.f. 30.03.2011). The minutes of the Board meetings of the unlisted subsidiary company have been placed at the Board meetings of the Company. A statement of all significant transactions and arrangements entered into, if any by the unlisted subsidiary company is periodically placed before the Board of Directors of the Company.

### MEANS OF COMMUNICATION

- The quarterly/half-yearly/annual audited/unaudited financial results of the Company were sent to the concerned Stock Exchanges immediately after they were approved by the Board of Directors.
- The results were published in widely circulated national and local daily newspapers such as 'The Economic Times/Business Standard/Financial Express' in English and 'Business Standard/Nav Bharat Times/Jansatta' in Hindi.

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

- The Company's full Annual Report, Shareholding Pattern, Corporate Governance Report, Management Discussion and Analysis Report, Financial Results, News, Events, etc. were also posted on the Company's website, 'www.genus.in'.

### FIXED DEPOSITS

There are no deposits invited in terms of provisions of section 58A or 58AA of Companies Act, 1956 and rules made thereunder, thus no case of overdue or non-payment of deposits arises.

### NAME AND DESIGNATION OF THE COMPLIANCE OFFICER

Mr. Ankit Jhanjhari, Company Secretary is the Compliance Officer of the Company for complying with provisions of the Listing Agreement, Company Law and SEBI Rules & Regulations. His email ID is 'cs@genus.in'.

### BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Name of Director	Mr. Ishwar Chand Agarwal	Mr. Jitendra Kumar Agarwal	Mr. Vishnu Todi	Mr. Giriraj Kishore Sharma	Mr. Naveen Gupta
Date of Birth	19.04.1950	16.07.1977	28.03.1969	01.04.1955	30.09.1971
Date of Original Appointment	25.04.1994	06.05.2004	25.11.1995	24.07.1999	07.07.2011
Qualification	Bachelor of Commerce	M.B.A. (Marketing)	Bachelor of Commerce, Chartered Accountant	Bachelor of Arts	Bachelor of Arts
Expertise in specific functional areas	Rich experience of more than three decades in varied businesses such as Power, Electronics, Coke, Coal, Sugar, Finance & Leasing, Cement, Paper, Agro processing etc.	Expertise in the field of Marketing	Immense knowledge and expertise in the field of Finance and Accounts	Vast experience of more than two decades in the field of sales and marketing	Vast experience in information technology and Indian Education space
No. of Equity Shares held as on 31 <sup>st</sup> March, 2011	7692800	757640	1508000	NIL	NIL
List of outside Company Directorship held	1. Genus Electrotech Limited 2. Kailash Coal & Coke Co. Ltd. 3. Genus Paper Products Limited 4. Kailash Industries Limited 5. Genus Innovation Limited 6. Virtuous Infra Limited 7. Godavari Commodities Ltd.	1. Genus International Commodities Limited 2. Genus Innovation Limited	1. Genus Electrotech Limited	1. Genus Electrotech Limited	1. IEC Education Limited 2. IEC Education and Infrastructure Limited 3. IEC Leasing and Capital Management Limited 4. IEC Learning and Management Limited
Membership of Committees of the Board of other Companies	Remuneration Committee (Genus Paper Products Limited)	Nil	Nil	Nil	Nil



# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

### DISCLOSURES

**(A) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large:**

During the year 2010-11, there were some transactions with Directors/Promoters and other concerns in which some directors/relatives thereof are interested, which have been reported in 'Notes to Accounts' (Schedule 18). None of the aforesaid transactions were in conflict with the interest of the Company. All these transactions were negotiated on arms length basis and are anticipated to promote the interests of the Company.

**(B) Details of non-compliance by the Company, penalties, strictures imposed on the company by stock exchanges or SEBI, or any statutory authority, on any matter related to capital market, during the last three years:**

There was no instance of non compliance by the Company on any matter related to capital market during last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authorities.

The Board periodically reviews the compliance report of all laws applicable to the company, prepared by the company secretary/internal auditors as well as steps taken by the company to rectify instances of non-compliances, if any.

**(C) Whistle Blower policy and Affirmation that no personnel have been denied access to the audit committee:**

Though there is no formal Whistle Blower policy, the Company has issued various circulars and created a mechanism which enables all its employees to raise their concerns freely and without any fear. The Company has also initiated campaigns and created a separate window where employees can directly notify their concerns about any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and give their suggestions to the CEO of the Company.

No personnel have been denied access to the Audit Committee of the Board of Directors of the Company.

**(D) Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of clause 49 of the Listing Agreement:**

The Company has complied with the mandatory requirements and followed guidelines of Corporate Governance as set out in the Listing Agreement.

With regard to adoption of the non-mandatory requirements, the Company has constituted a Remuneration Committee, the details whereof are given under the heading "Remuneration Committee". The Board of Directors is periodically updated on the business model, company profile and the risk profile of the business parameters of the Company. The directors are also provided with the necessary literature, documents and internal policies to enable them to familiarize with the Company's procedures and policies. The Board also appraises the compliance of other non-mandatory requirements from time to time as stipulated under Clause 49 of the Listing Agreement.

### GENERAL SHAREHOLDERS INFORMATION

**(a) 19th Annual General Meeting**

Date: Saturday, September 10, 2011

Time: 11.00 a.m.

Venue: G-78, Preet Vihar, Vikas Marg, Delhi-110092

**(b) Dates of Book Closure:** From Saturday, September 03, 2011 to Saturday, September 10, 2011 (both days inclusive) for the purpose of AGM and payment of dividend.

**(c) Dividend Payment Date:** Credit / dispatch between 11th September, 2011 and 25th September, 2011.

**(d) Financial Calendar:** Financial Year: April 01, 2011 to March 31, 2012.

**Financial Results for: (Tentative)**

- **First Quarter:** By July 27, 2011
- **Half Year:** By October 27, 2011
- **Third Quarter:** By January 27, 2012
- **Fourth Quarter:** By April 27, 2012

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

### (e) Listing on Stock Exchanges and Stock Codes:

The Company's securities viz. Equity Shares are listed and traded at the following Stock Exchanges:

S. No.	Name and address of Stock Exchanges	Stock Code
1	Bombay Stock Exchange Limited (BSE) Pheeroz Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	530343
2	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051	GENUSPOWER

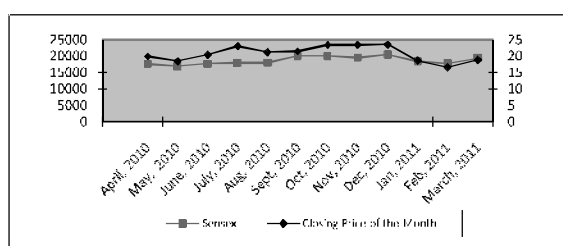
The Company has paid the listing fees to BSE & NSE and custodial fees to CDSL & NSDL for the year 2011-12.

### (f) International Securities Identification Number (ISIN):

Equity Shares : INE955D01029

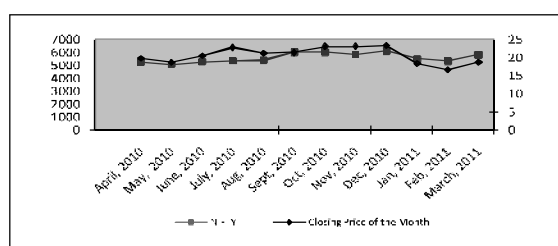
Note: The ISIN of the Company has been changed from INE955D01011 to INE955D01029 w.e.f. 14th October 2010 on account of split of shares.

### (g) (1) Stock performance in comparison to BSE SENSEX:



Sensex (Share Price (Rs.))

### (2) Stock performance in comparison to NSE NIFTY:



Nifty (Share Price (Rs.))

### (h) Market Price Data:

Highs & Lows quotations of securities\* on Bombay Stock Exchange and National Stock Exchange during each month for the year 2010-2011:

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2010	216.50	170.00	18,89,060	216.00	170.00	26,69,124
May, 2010	214.00	176.00	4,03,663	214.50	177.55	5,38,000
June, 2010	216.00	175.35	5,77,307	215.80	182.00	9,06,586
July, 2010	234.80	200.20	15,84,377	234.60	195.30	25,28,981
August, 2010	250.00	208.60	8,78,392	250.00	208.05	14,37,576
September, 2010	235.10	206.45	4,95,075	226.20	205.20	7,86,843
October, 2010#	276.70	22.75	36,87,117	276.40	22.80	62,97,379
November, 2010	28.45	21.05	53,46,558	28.30	21.00	93,50,919
December, 2010	24.05	17.65	54,38,717	24.15	16.00	64,11,087
January, 2011	23.90	16.80	16,58,500	23.85	16.40	26,39,595
February, 2011	18.75	14.80	13,45,391	19.20	15.90	16,19,746
March, 2011	19.75	15.05	32,58,296	19.90	15.10	50,95,209

\* Securities (Equity Shares) of the Company were not traded in Stock Exchanges other than BSE & NSE during the year under review.

#Note: The Equity Shares of the nominal value of Rs. 10/- each were sub-divided/splitted into ten equity shares of Re.1/- (one) each in October, 2010.

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

### (i) Distribution of Shareholdings:

The distribution of shareholdings as on March 31, 2011:

Share Holding	Share Holders		Share Holding	
	Number	% to Total	Number of Shares	% to Total
Upto 500	8578	51.71	19,25,969	1.27
501 – 1000	2808	16.93	25,65,925	1.69
1001 – 5000	3681	22.19	98,12,404	6.46
5001 – 10000	770	4.64	63,07,970	4.15
10001 – 50000	564	3.40	1,21,04,530	7.97
50001 – 100000	81	0.49	55,57,042	3.66
100001 and above	108	0.65	11,36,32,980	74.80
<b>TOTAL</b>	<b>16590</b>	<b>100.00</b>	<b>15,19,06,820</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2011: (Equity Shares of Re.1/- each)

Category Code	Category of Shareholders	No. of Shareholders	Total No. of Shares	No. of Shares held in demat form	Total Shareholding as on % of total no. of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VI II)/(IV)* 100
(A)	Shareholding of Promoter & Promoter Group							
(1)	Indian							
(a)	Individual/HUF	38	28924620	28924620	19.04	19.04	3000000	10.37
(b)	Central Govt./ State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	9	36435920	36435920	23.99	23.99	14542500	39.91
(d)	Fin. Institutions / Bank	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total of (A)(1)	47	65360540	65360540	43.03	43.03	17542500	26.84
(2)	Foreign							
(a)	Individuals (NRIs/Foreign)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total of (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Shareholding of Promoter & Promoter Group (A) = (A)(1)+(A)(2)	47	65360540	65360540	43.03	43.03	17542500	26.84
(B)	Public Shareholding							
(1)	Institutions							
(a)	Mutual Funds / UTI	7	127920	27920	0.08	0.08	NA	NA
(b)	Fin. Institutions / Banks	3	15900	9900	0.01	0.01	NA	NA
(c)	Central Govt./ State Govt.	Nil	Nil	Nil	Nil	Nil	NA	NA
(d)	Venture Capital	Nil	Nil	Nil	Nil	Nil	NA	NA
(e)	Insurance Company	Nil	Nil	Nil	Nil	Nil	NA	NA
(f)	Foreign Inst. Investors	4	2353411	2353411	1.55	1.55	NA	NA
(g)	Foreign VC Investors	1	43000	Nil	0.03	0.03	NA	NA
(h)	Any Other	Nil	Nil	Nil	Nil	Nil	NA	NA
	Sub-Total (B)(1)	15	2540231	2391231	1.67	1.67	NA	NA

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

'(2)	Non-Institutions							
(a)	Bodies Corporate	486	30605780	30575780	20.15	20.15	NA	NA
(b)	Individuals							
	i. Individual Shareholders Holding Nominal Share Capital Upto Rs.1 Lakh	15273	29075611	26340190	19.14	19.14	NA	NA
	ii. Individual Shareholders Holding Nominal Share Capital greater than Rs.1 Lakh	30	17976824	17976824	11.83	11.83	NA	NA
(c)	Any Other							
	NR/OCBs	523	4352126	3156126	2.87	2.87	NA	NA
	Clearing Member/Clearing Corp	216	1995708	1995708	1.31	1.31	NA	NA
	Sub-Total (B)(2)	16528	84006049	80044628	55.30	55.30	NA	NA
	Total Public Shareholding (B) = (B)(1) + (B)(2)	16543	86546280	82435859	56.97	56.97	NA	NA
	TOTAL (A)+(B)	16590	151906820	147796399	100.00	100.00	17542500	11.55
(C)	Shares held by Custodians And against which DRs have been issued	Nil	Nil	Nil	Nil	Nil	NA	NA
'(1)	Promoter and Promoter group	Nil	Nil	Nil	Nil	Nil	NA	NA
'(2)	Public	Nil	Nil	Nil	Nil	Nil	NA	NA
	GRAND TOTAL (A)+(B)+(C)	16590	151906820	147796399	100.00	100.00	17542500	11.55

Note : The Company has only one class of equity shares.

### (j) Registrar & Share Transfer Agents:

M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata – 700 001

Tel.: (033) 22357271/70/3070, 22343576 • Fax: (033) 22156823 • E-mail: nichetechpl@nichetechpl.com

### (k) Share Transfer System:

The Board of the Company has delegated the power of share transfer, transmission, etc., to the Registrar and Share Transfer Agent (RTA), M/s. Niche Technologies Private Limited, in order to expedite the process and disposal of share transfers and other shareholders' related matters. The RTA has fully computerized system for the share transfer activity (other than demat share) and attends to all delegated matters, timely and appropriately. The depositories directly transfer the dematerialised shares to the beneficiaries. Pursuant to Clause 47(c) of the Listing Agreement with Stock Exchanges, the Company obtains from a Company Secretary in Practice a half-yearly certificate of compliance with the share transfer formalities and timely issuance of share certificates. The Company files a copy of the said certificate with the Stock Exchanges.

The details of share transferred, transmitted, duplicate/replaced share certificates issued, rematerialisation and dematerialisation held during the period from 01.04.2010 to 31.03.2011 are given below:

Particulars	No. of Request	No. of Shares *
Request received for Transfer of Shares	10	16020
Request received for Transmission of Shares	6	36000
Request received for issuance of duplicate/replaced share certificates	5	7000
Request received for Rematerialisation of Shares	8	38001
Request received for Dematerialisation of Shares	43	202070

\*Figures restated wherever necessary on account of split of the face value of share of Rs.10/- each into ten equity shares of Re.1/- each in October, 2010.

### (l) Dematerialisation of Shares and Liquidity:

The equity shares of your Company are being compulsorily traded in dematerialised form. The Company's shares are available for trading under both the Depository Systems in India, the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

# CORPORATE GOVERNANCE REPORT

## (Annexure to the Directors' Report)

The detail of mode of holding as on 31.03.2011 is as under:

S. No.	Mode of Holding	Holding (Nos.)	Holding (%)
1.	Shares held in dematerialised form in NSDL	12,92,52,887	85.09
2.	Shares held in dematerialised form in CDSL	1,85,43,512	12.21
3.	Shares held in Physical Form	41,10,421	2.70
	<b>Total</b>	<b>15,19,06,820</b>	<b>100</b>

As on 30th June, 2011, 14,78,54,491 equity shares in aggregate forming 97.33% of the Equity Share Capital of the Company have been dematerialised. The equity shares of the Company are actively traded in Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) regularly.

(m) **Designated E-mail ID for Shareholders:** cs@genus.in

(n) **Outstanding GDR/ADRs/Warrants or any Convertible Instruments, conversion date & likely impact on equity:**

Out of 1,10,00,000 (nos.) (restated on account of split of shares) convertible warrants which were issued on 16th January, 2010 to one of the promoters of the Company, 40,00,000 warrants were converted into 40,00,000 fully paid-up equity share of Re. 1/- each at a price of Rs.19/- per equity share (including a premium of Rs.18/- per share) on 11th February, 2011. As a result of this conversion, the paid-up equity share capital of the Company increased to Rs.15,19,06,820/-. Assuming all the remaining warrants are converted into equity shares, the number of equity shares available for trading in the Indian Stock Exchanges would go up by further 70,00,000 Equity Shares.

(o) **Reconciliation of Share Capital Audit:**

The Reconciliation of Share Capital Audit by a qualified Chartered Accountant has been carried out every quarter to reconcile the total issued and listed capital and the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The Report on Reconciliation of Share Capital Audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(p) **Transfer of unclaimed amount to 'Investor Education and Protection Fund':**

Pursuant to Section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund ('IEPF') (Awareness and Protection of Investor) Rules, 2001, during the year 2010-11, a sum of Rs.4,25,495/- being unpaid/unclaimed dividend for the year 2002-03 has been transferred to the IEPF.

(q) **Location of Plants:**

S. No.	Address
1	SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur – 302022 (Rajasthan), (India)
2	Plot No. 12, Sector-4, IIE, SIDCUL, Haridwar-249403 (Uttarakhand), (India)
3	SP-4-2, Keshwana, Kotputli, Dist.-Jaipur-303108, (Rajasthan), (India)
4	Plot No.9, Sector-2, SIDCUL, Haridwar – 249403 (Uttarakhand), (India)
5	SPL-2A, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur – 302022 (Rajasthan), (India.)

(r) **Corporate Identity Number (CIN):** L51909DL1992PLC133383

(s) **Address for Correspondence:**

**Registrar & Share Transfer Agents:** M/s. Niche Technologies Pvt. Ltd.,  
D-511, Bagree Market, 71, B. R. B. Basu Road, Kolkata – 700001  
Ph: (033) 22357271/70/3070, 22343576 | Fax: (033) 22156823 | E-mail: nichetechpl@nichetechpl.com

### Corporate Office

SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur-302022.  
Ph: +91-141-2770003, 3911400 / 500 | Fax: +91-141-2770319

### Registered Office

D-116, Okhla Industrial Area, Phase-1, Okhla, New Delhi-110020.  
Ph: +91-11-47114800 | Fax: +91-11-47114833  
E-mail ID: cs@genus.in | Website: www.genus.in



# CERTIFICATE OF CEO AND CFO

**To The Board of Directors of Genus Power Infrastructures Limited,**

Dear Sirs,

We, Mr. Kailash Chandra Agarwal, Joint Managing Director, Mr. Rajendra Kumar Agarwal, Executive Director & Chief Executive Officer (CEO) and Mr. Pramod Kumar Gupta, Chief Financial Officer (CFO) of the Company, hereby certify as under:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2011 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) There have been no:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year; and
  - (iii) instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Yours sincerely,

**Kailash Chandra Agarwal**

Joint Managing Director

Jaipur, July 27, 2011

**Rajendra Kumar Agarwal**

Executive Director & CEO

**Pramod Kumar Gupta**

Chief Financial Officer

## AUDITORS' CERTIFICATE

### ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

**To the Members of Genus Power Infrastructures Limited**

We have examined the compliance of conditions of corporate governance by Genus Power Infrastructures Limited for the financial year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the Company.

**For D. Khanna & Associates**

Firm Registration Number: 012917N

Chartered Accountants

**Deepak Khanna**

Partner

Membership No. 092140

Jaipur, July 27, 2011

# AUDITORS' REPORT

## TO THE MEMBERS OF GENUS POWER INFRASTRUCTURES LIMITED

We have audited the attached Balance Sheet of **Genus Power Infrastructures Limited** as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Clause (g) of sub-section (i) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
  - b) in the case of Profit & Loss Account, of the profit for the year ended on that date and
  - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **D. Khanna & Associates**  
Firm Registration Number: 012917N  
Chartered Accountants

**Deepak Khanna**  
Partner  
Membership No. 092140

Jaipur, July 27, 2011

# AUDITORS' REPORT

## ANNEXURE TO THE AUDITORS' REFERRED TO IN PARAGRAPH 3 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 phased programme of physical verification of its fixed assets at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. During the year, the management has physically verified fixed assets and no material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed off a substantial part of the fixed assets during the year and therefore the going concern status of the Company is not affected.
- (ii) (a) We are informed that the physical verification of inventory has been conducted during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are 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. As explained to us, no material discrepancies noticed on physical verification of inventory as compared to book records.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii)(b),(c) and (d) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 for the year have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Companies Act, 1956 in excess of Rs. 5,00,000/- in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) The Company has not accepted deposits from public within the meaning of the provisions of section 58A and 58AA of the Companies Act, 1956 and rules made there under and requisite compliance made.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) We have been informed that the Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for the products manufactured by the Company and the Company is maintaining the same.
- (ix) (a) According to the information and explanations given to us and on the basis of records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of Income Tax, Excise Duty, Service Tax, CST, VAT and Custom Duty as at 31st March, 2011,

# AUDITORS' REPORT

which have not been deposited on account of matters pending before appropriate authorities, are as under:

Name of the Statute	Nature of disputed dues	Amount (Rs. In lacs)	Forum where disputes are pending
Income Tax	Disallowances of Expenses	3192.46	ITAT, CIT (Appeals) & High Court
Excise and Service Tax	Disallowances of Cenvat credit taken	344.00	Commissioner, Commissioner (Appeals), CESTAT, Addl. Commissioner & Dy. Commissioner
CST and VAT	Ex-parte and Disallowances	411.11	Hon'ble High Court, Tax Board & Dy. Commissioner (Appeals)

- (x) The Company has no accumulated losses and has not incurred any cash losses in the current financial year or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution and banks.
- (xii) According to the information and explanations given to us, during the year the Company has not granted any loan on the basis of security by way of pledge of shares.
- (xiii) In our opinion, the Company is not a chit fund, nidhi, mutual benefit fund or a Society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable.
- (xv) According to the information and explanations given to us, the Company has given guarantee of Rs.5200.00 lacs for loan taken by other from banks or financial institutions.
- (xvi) The Company has not raised new term loan during the year. To the best of our knowledge, belief and according to the information and explanation given to us, the term loan outstanding at the beginning of the year were prima facie, applied by the Company for the purpose for which the loan were raised.
- (xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, fund raised on short term basis have, prima facie, not been used during the year for long term investments and vice versa, other than temporary deployment pending application.
- (xviii) The Company has made preferential allotment of 40,00,000 equity shares of Re.1/- each upon conversion of warrants at a price, which is not prejudicial to the interest of the Company, to one party covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) According to information and explanation given to us, the Company has not issued any debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) On the basis of our examination and according to the information and explanation given to us, no fraud, on or by the Company, was noticed or reported during the course of our audit.

For **D. Khanna & Associates**  
Firm Registration Number: 012917N  
Chartered Accountants

**Deepak Khanna**  
Partner  
Membership No. 092140

Jaipur, July 27, 2011

# BALANCE SHEET

## AS AT 31<sup>ST</sup> MARCH, 2011

(Rs. in Lacs)

PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	1	1,519.07	1,479.07
Equity Share Warrants		332.50	522.50
Reserves and Surplus	2	35,259.21	28,250.34
<b>LOAN FUNDS:</b>			
Secured Loans	3	26,224.96	23,557.68
Unsecured Loans	4	3,794.55	1,254.53
<b>DEFERRED INCOME TAX (NET)</b>		677.23	630.79
<b>TOTAL</b>		<b>67,807.52</b>	<b>55,694.91</b>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS:</b>	5		
Gross Block		10,200.65	9,010.80
Less: Depreciation		2,635.96	2,101.12
Net Block		7,564.69	6,909.68
Add: Capital Work in Progress		1,042.14	149.74
<b>INVESTMENTS</b>	6	8,607.18	5,582.18
<b>CURRENT ASSETS, LOANS AND ADVANCES:</b>	7		
Inventories		10,719.62	9,111.21
Sundry Debtors		37,734.44	37,637.27
Cash and Bank Balances		3,342.74	3,180.97
Other Current Assets		2,283.45	-
Loans and Advances		15,020.11	10,826.66
		69,100.36	60,756.11
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>	8	18,599.42	18,059.91
<b>NET CURRENT ASSETS</b>		50,500.94	42,696.20
<b>MISCELLANEOUS EXPENDITURE</b>	9	92.57	357.11
(To the extent not written off or adjusted)			
<b>TOTAL</b>		<b>67,807.52</b>	<b>55,694.91</b>
Significant Accounting Policies and Notes to Accounts	18		

As per our report of even date

For and on behalf of the Board

For **D. Khanna & Associates**

Firm Registration Number: 012917N  
Chartered Accountants

**Ishwar Chand Agarwal**  
Chairman

**Kailash Chandra Agarwal**  
Joint Managing Director

**Deepak Khanna**  
Partner  
Membership No.092140

**Rajendra Kumar Agarwal**  
Executive Director & CEO

**Ankit Jhanjhari**  
Company Secretary

Jaipur, July 27, 2011

## PROFIT AND LOSS ACCOUNT

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

(Rs. in Lacs)

PARTICULARS	SCHEDULE	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b>INCOME:</b>			
Income from Operations (Gross)	10	72,261.20	66,322.97
Less: Excise Duty		855.45	939.06
Income from Operations (Net)		71,405.75	65,383.91
Other Income	11	241.66	310.77
Increase / (Decrease) in Stocks	12	883.13	(490.43)
		<b>72,530.54</b>	<b>65,204.25</b>
<b>EXPENDITURE:</b>			
Raw Materials Consumed	13	50,873.41	45,735.67
Employees' Remuneration and Benefits	14	4,096.55	2,950.15
Manufacturing and Operating Expenses	15	1,673.20	1,263.83
Administration, Marketing and Miscellaneous Expenses	16	5,637.14	5,881.99
Interest and Finance Charges (Net)	17	2,786.70	3,222.36
Depreciation		537.38	539.42
	<b>TOTAL</b>	<b>65,604.38</b>	<b>59,593.42</b>
<b>PROFIT BEFORE TAX</b>		<b>6,926.16</b>	<b>5,610.83</b>
<b>Provision for Tax</b>			
Current Tax		1,400.00	1,026.10
Wealth Tax		2.70	-
Tax relating to previous year		-	6.85
Deferred Tax (Net)		46.44	(141.88)
<b>PROFIT AFTER TAX</b>		<b>5,477.02</b>	<b>4,719.76</b>
Add/(Less): Extraordinary Items (Net of Tax)		631.07	(2,081.15)
<b>PROFIT AFTER TAX AND EXTRAORDINARY ITEMS</b>		<b>6,108.09</b>	<b>2,638.61</b>
Add: Balance brought forward from previous year		11,085.49	9,666.25
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>		<b>17,193.58</b>	<b>12,304.86</b>
<b>APPROPRIATIONS:</b>			
General Reserve		-	-
Proposed Dividend :- Equity Shares		151.91	147.91
:- Preference Shares		-	39.59
Corporate Dividend Tax		25.82	31.87
Debts/Debtentures Redemption Reserve		-	1,000.00
<b>Surplus Carried to Balance Sheet</b>		<b>17,015.85</b>	<b>11,085.49</b>
Basic Earnings per share - (Before Extraordinary Items) (Rs.)		3.69	3.16
Diluted Earnings per share - (Before Extraordinary Items) (Rs.)		3.45	3.11
Basic Earnings per share - (After Extraordinary Items) (Rs.)		4.11	1.75
Diluted Earnings per share - (After Extraordinary Items) (Rs.)		3.84	1.73
Face Value per equity share (Rs.)		1.00	1.00
Significant Accounting Policies and Notes to Accounts	18		

As per our report of even date

For and on behalf of the Board

For **D. Khanna & Associates**

Firm Registration Number: 012917N  
Chartered Accountants

**Ishwar Chand Agarwal**  
Chairman

**Kailash Chandra Agarwal**  
Joint Managing Director

**Deepak Khanna**

Partner  
Membership No.092140

**Rajendra Kumar Agarwal**  
Executive Director & CEO

**Ankit Jhanjhari**  
Company Secretary

Jaipur, July 27, 2011

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

(Rs. in Lacs)

PARTICULARS	2010-2011	2009-2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax as per Profit and Loss Account	6926.16	5610.83
Adjusted for:		
Depreciation	537.38	539.42
Amortisation	264.54	264.54
Loss / (Profit) on Sale/Discard of Fixed Assets (Net)	3.87	6.96
Interest Expenses (Net)	2049.23	2483.36
Provision for Warranty Expenses	976.03	-
<b>Operating Profit before Working Capital Changes</b>	<b>10757.21</b>	<b>8905.11</b>
Adjusted for:		
Exceptional Items (Gross)	788.14	(2507.25)
Less:- Loss of Fixed Assets (W/DV)	-	943.78
<b>Operating Profit after exceptional items but before Working Capital changes</b>	<b>11545.35</b>	<b>7341.64</b>
Adjusted for:		
Trade & Other Receivables	(5241.92)	(367.56)
Inventories	(1608.41)	2379.41
Trade Payables	(1336.72)	5097.62
Cash generated from Operations	3358.30	14451.11
Direct Taxes Paid (Including TDS)	(1932.15)	(607.86)
<b>Net Cash from / (used in) Operating Activities</b>	<b>1426.15</b>	<b>13843.25</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(2092.11)	(1850.27)
Purchase of Investments	(3025.00)	(2,608.80)
Investment in Joint Venture	-	(345.38)
Sale/Deduction of Fixed Assets	3.45	16.49
Interest Received	944.27	963.41
Deferred Expenses	-	(0.07)
<b>Net Cash from / (used in) Investing Activities</b>	<b>(4169.39)</b>	<b>(3824.62)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Short Term Loans (Net)	5529.77	(6620.13)
Long Term Loans (Net)	(322.47)	(304.82)
Increase/Decrease in Share Capital, Share Premium and Warrants	570.00	522.50
Redemption of Preference Shares	-	(500.00)
Subsidy Received	358.51	17.16
Dividend Paid (Including Dividend Tax )	(221.59)	(237.31)
Interest Paid	(3009.21)	(4360.07)
<b>Net Cash from / (used in) Financing Activities</b>	<b>2905.01</b>	<b>(11482.67)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	161.77	(1614.81)
Opening Balance of Cash and Cash Equivalents	3180.97	4795.78
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>3342.74</b>	<b>3180.97</b>
<b>COMPONENTS OF CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	13.20	7.97
Balances with Banks:		
In Current Account	878.51	470.26
In Fixed Deposits Inc interest accrued	2451.03	2702.74
	<b>3342.74</b>	<b>3180.97</b>
Notes : 1) Figures in bracket indicates cash outflow. 2) Previous year figures have been regrouped wherever necessary to confirm to current years classification.		

As per our report of even date

For and on behalf of the Board

For D. Khanna &amp; Associates

Firm Registration Number: 012917N

Chartered Accountants

Deepak Khanna

Partner

Membership No.092140

Jaipur, July 27, 2011

Ishwar Chand Agarwal

Chairman

Rajendra Kumar Agarwal

Executive Director &amp; CEO

Kailash Chandra Agarwal

Joint Managing Director

Ankit Jhanjhari

Company Secretary



# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

	AS AT 31.03.2011	AS AT 31.03.2010
<b><u>SCHEDULE - 1 - SHARE CAPITAL</u></b>		
<b>Authorised:</b>		
18,16,00,000 Equity Shares of Re.1/- each (Previous Year: 1,81,60,000 Shares of Rs.10/- each)	1,816.00	1,816.00
5,04,000 - 10% Redeemable Preference Shares of Rs 100/- each. (Previous Year: 5,04,000-10% Redeemable Preference Shares of Rs.100/-each)	504.00	504.00
<b>TOTAL</b>	<b>2,320.00</b>	<b>2,320.00</b>
<b>Issued, Subscribed and Paid-up:</b>		
15,19,06,820 Equity Shares of Re.1/- each (Previous Year: 1,47,90,682 Equity Shares of Rs.10/- each)	1,519.07	1,479.07
<b>TOTAL</b>	<b>1,519.07</b>	<b>1,479.07</b>
<b>Equity Share Warrants</b> (Subscription amount received against warrants convertible into equity shares)	332.50	522.50
<b>TOTAL</b>	<b>332.50</b>	<b>522.50</b>
<b><u>SCHEDULE - 2 - RESERVES AND SURPLUS</u></b>		
<b>Capital Reserve</b>		
Opening Balance	651.87	634.71
Add:- Subsidy received during the year	358.51	17.16
<b>Securities Premium</b>		
Opening Balance	14,506.98	14,506.98
Add:- Premium received on issue of shares upon conversion of warrants	720.00	-
<b>General Reserve</b>	506.00	506.00
<b>Capital Redemption Reserve</b>	500.00	500.00
<b>Debts/Debentures Redemption Reserve</b>	1,000.00	1,000.00
<b>Profit and Loss Account</b>	17,015.85	11,085.49
<b>TOTAL</b>	<b>35,259.21</b>	<b>28,250.34</b>
<b><u>SCHEDULE - 3 - SECURED LOANS</u></b>		
<b>Term Loans from Banks</b>	226.48	586.82
<b>Working Capital Loans from Banks</b>	25,895.56	20,440.81
<b>Short Term Loans from Banks</b>	-	2,465.00
<b>Loans against Hypothecation of Vehicles from Banks</b>	102.92	65.05
<b>TOTAL</b>	<b>26,224.96</b>	<b>23,557.68</b>
<b>Notes:</b>		
1 Term loans of Rs.226.48 lacs (Previous Year: Rs.586.82 lacs) from State Bank of Indore (Now merged with State Bank of India) and IDBI Bank Ltd are secured by equitable mortgage on all the immovable properties of Haridwar unit-I of the Company, hypothecation of movable plant and machinery and other fixed assets of the Unit and second charge on stocks and book debts of the Company and personal guarantee of some of the Directors of the Company.		
2 Working capital loans of Rs.22,375.93 lacs (Previous Year: Rs.16,363.08 lacs) under consortium arrangement from Bank of Baroda, State Bank of India, Punjab National Bank, ICICI Bank Ltd, Standard Chartered Bank, IDBI Bank Ltd, State Bank of Bikaner and Jaipur, Axis Bank and Export Import Bank of India are secured by way of hypothecation of stocks and book debts of the Company, both present and future, on first pari passu basis, charge on the entire unencumbered fixed assets of the Jaipur unit, collateral security by way of second charge on fixed assets of Haridwar unit-I of the Company and equitable mortgage of immovable properties of Directors and others ranking pari passu and further secured by personal guarantee of some of the Directors and others.		
3 Working capital loan of Rs.Nil (Previous Year: Rs.1,577.73 lacs) from Axis Bank is secured by hypothecation of stocks and book debts of specific projects of the Company and personal guarantee of some of the Directors.		
4 Working capital short term loan of Rs.994.04 lacs (Previous Year: Rs.Nil) from Indusind Bank is secured by subservient charge on the current assets and movable fixed assets of the Company, both present and future and further secured by personal guarantee of some of the Directors of the Company.		
5 Working capital short term loan of Rs.2,525.59 lacs (Previous Year: Rs.2,500 lacs) from State Bank of Mysore is secured by subservient charge on all the assets of the company except Land and Buildings and personal guarantee of Chairman of the Company.		
6 Short-term loan of Rs.Nil (Previous Year: Rs.2,465 lacs) for reconstruction/replacement of fixed assets of the Jaipur unit of the Company damaged due to fire/blast in IOCL depot adjoining to Jaipur unit of the Company.		
7 Term loans aggregating to Rs.226.48 lacs (Previous Year: Rs.303.80 lacs) are repayable within one year.		

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	AS AT 31.03.2011	AS AT 31.03.2010
<b>SCHEDULE - 4 - UNSECURED LOANS</b>		
<b>Short Term Loans:</b>		
Commercial Papers	3,000.00	-
Others - From Banks	794.55	1,254.53
<b>TOTAL</b>	<b>3,794.55</b>	<b>1,254.53</b>

<b>SCHEDULE - 5 - FIXED ASSETS</b>										
<b>(Rs. in Lacs)</b>										
Description	Gross Block				Depreciation				Net Block	
	As on 31.03.10	Addition	Sale / Adjustment	As on 31.03.11	Up to 31.03.10	For the Year	Adjustment	Upto 31.03.11	As on 31.03.11	As on 31.03.10
Land	1,071.20	0.25	44.93	1,026.52	-	-	-	-	1,026.52	1,071.20
Buildings	2,692.10	133.91	-	2,826.01	291.59	91.75	-	383.34	2,442.67	2,400.51
Plant and Machinery	3,626.32	435.36	-	4,061.68	1,349.03	285.48	-	1,634.51	2,427.17	2,277.29
Wind Power Project	703.00	-	-	703.00	173.98	37.12	-	211.10	491.90	529.02
Dies and Moulds	92.58	393.06	-	485.64	18.39	22.40	-	40.79	444.85	74.19
Furniture and Fixtures	79.92	62.02	1.13	140.81	10.17	8.96	-	19.13	121.68	69.75
Vehicles	464.20	97.79	8.30	553.69	189.37	46.10	2.31	233.16	320.53	274.83
Office Equipments	53.61	37.73	0.06	91.28	5.66	4.44	-	10.10	81.18	47.95
Computers	227.87	84.57	0.42	312.02	62.93	41.13	0.23	103.83	208.19	164.94
<b>Total</b>	<b>9,010.80</b>	<b>1,244.69</b>	<b>54.84</b>	<b>10,200.65</b>	<b>2,101.12</b>	<b>537.38</b>	<b>2.54</b>	<b>2,635.96</b>	<b>7,564.69</b>	<b>6,909.68</b>
Capital Work in Progress	149.74	963.74	71.34	1,042.14	-	-	-	-	1,042.14	149.74
Previous Year	9,731.77	1,762.50	2,483.47	9,010.80	3,077.94	539.42	1,516.24	2,101.12	6,909.68	5,653.15

**Notes:**

(1) Addition during the year includes Rs.37.14 lacs (Previous Year: Rs.31.97 lacs) for assets used for Research and Development purposes.

	AS AT 31.03.2011	AS AT 31.03.2010
<b>SCHEDULE - 6 - INVESTMENTS</b>		
<b>(Long Term, Unquoted, Other than Trade, At Cost)</b>		
<b>Equity Shares:</b>		
Genus Paper Products Limited (1,01,00,000 Equity Shares of Rs 10/-each fully paid up) (Previous Year: 51,00,000 Equity Shares of Rs 10/-each fully paid up)	2,595.00	995.00
Virtuous Infra Limited (38,000 Equity Shares of Rs 10/-each fully paid up) (Previous Year: 14,000 Equity Shares of Rs 10/-each fully paid up)	3.80	1.40
M.K.J. Manufacturing Pvt. Ltd. (49,335 Equity Shares of Rs 100/-each fully paid up)	600.00	600.00
Genus Electrotech Limited (2,79,500 Equity Shares of Rs 10/-each fully paid up)	175.00	175.00
Cube Finlex Pvt. Limited (4,00,000 Equity Shares of Rs 10/-each fully paid up)	400.00	400.00
Rajasthan Assets Management Company Pvt. Ltd. (800 fully paid up equity shares of Rs.100/- each)	0.80	0.80
Virtuous Urja Limited (40,000 Equity Shares of Rs 10/-each fully paid up)	4.00	4.00
<b>Joint Venture:</b>		
Genus S. A., Brazil (44,88,000 ordinary shares of R\$0.5504 each, 13,00,000 ordinary shares of R\$1.000 each and 2,89,40,000 ordinary shares of R\$ 0.1382 each)	1,743.58	1,743.58
<b>Share Application Money:</b>		
Genus Paper Products Limited	2,600.00	1,600.00
Virtuous Infra Limited	-	2.40
Kailash Coal And Coke Company Limited	325.00	-
M.K.J. Manufacturing Pvt. Ltd.	50.00	50.00
<b>Mutual Funds:</b>		
SBI PSU Fund (Dividend)	100.00	-
Baroda Pioneer Infrastructures Limited	10.00	-
Baroda Pioneer (PSU) Bond Fund	-	10.00
<b>TOTAL</b>	<b>8,607.18</b>	<b>5,582.18</b>

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

	AS AT 31.03.2011	AS AT 31.03.2010
<b><u>SCHEDULE - 7 - CURRENT ASSETS, LOANS AND ADVANCES</u></b>		
<b>CURRENT ASSETS:</b>		
<b>Inventories:</b> (As valued and certified by the Management)		
Raw Materials	7,457.29	6,748.88
Stores, Spares, Packing Material, etc.	78.57	61.70
Work in Process	505.00	999.87
Finished Goods	2,678.76	1,300.76
<b>TOTAL</b>	<b>10,719.62</b>	<b>9,111.21</b>
<b>Sundry Debtors:</b> (Unsecured and Considered Good)		
Debts outstanding for a period exceeding six months	3,871.62	2,621.61
Other Debts	33,862.82	35,015.66
<b>TOTAL</b>	<b>37,734.44</b>	<b>37,637.27</b>
<b>Cash and Bank Balances:</b>		
Cash on hand	13.20	7.97
Balance with Scheduled Banks:		
In Current Accounts	878.51	470.26
In Fixed Deposit Accounts	2,360.35	2,551.97
Interest accrued on FDR	90.68	150.77
<b>TOTAL</b>	<b>3,342.74</b>	<b>3,180.97</b>
<b>Other Current Assets:</b>		
Unbilled Contract Revenue	2,283.45	-
<b>TOTAL</b>	<b>2,283.45</b>	<b>-</b>
<b>LOANS AND ADVANCES:</b> (Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received	10,287.72	8,083.51
Security Deposits and Earnest Money Deposits	423.47	553.44
Balance with Government Departments	4,308.92	2,189.71
<b>TOTAL</b>	<b>15,020.11</b>	<b>10,826.66</b>
<b><u>SCHEDULE - 8 - CURRENT LIABILITIES AND PROVISIONS</u></b>		
<b>CURRENT LIABILITIES:</b>		
<b>Sundry Creditors:</b>		
Dues to Micro and Small enterprises	42.48	33.77
Others	14,502.28	15,833.76
Unclaimed Dividend	33.29	35.51
Interest Accrued but not due on Loans	25.18	40.89
Advances from Customers	54.63	96.80
Other Liabilities	1,075.90	1,127.41
<b>TOTAL</b>	<b>15,733.76</b>	<b>17,168.14</b>
Note: There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.		
<b>PROVISIONS:</b>		
Provision for Warranty Expenses	976.03	-
Dividend on Preference Shares	-	39.59
Proposed Dividend on Equity Shares	151.91	147.91
Income Tax	1,557.07	600.00
Dividend Tax	25.82	31.87
Wealth Tax	2.70	-
Gratuity and Leave Encashment	152.13	72.40
<b>TOTAL</b>	<b>2,865.66</b>	<b>891.77</b>
<b>GRAND TOTAL</b>	<b>18,599.42</b>	<b>18,059.91</b>
<b><u>SCHEDULE - 9 - MISCELLANEOUS EXPENDITURE</u></b>		
(To the extent not written-off or adjusted)		
FCCB Issue Expenses	0.11	45.41
Deferred Revenue Expenses	50.48	210.82
Equity Share Allotment Expenses	41.98	100.88
<b>TOTAL</b>	<b>92.57</b>	<b>357.11</b>

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b><u>SCHEDULE - 10 - INCOME FROM OPERATIONS</u></b>		
Sales and Services	69,347.43	62,255.26
Export including Deemed Exports Sales	2,913.77	4,067.71
<b>TOTAL</b>	<b>72,261.20</b>	<b>66,322.97</b>
<b><u>SCHEDULE - 11 - OTHER INCOME</u></b>		
Gain on Foreign Exchange Fluctuation	169.85	224.52
Misc. Income	58.95	56.80
Export Incentives	12.48	29.02
Dividend on Investments	0.38	0.43
<b>TOTAL</b>	<b>241.66</b>	<b>310.77</b>
<b><u>SCHEDULE - 12 - INCREASE / (DECREASE) IN STOCKS</u></b>		
<b>Closing Stock:</b>		
Work-in-Process	505.00	1,441.64
{Including Damaged Stock of Rs.Nil, Previous Year: Rs.441.77 lacs}		
Finished Goods	2,678.76	1,344.61
{Including Damaged Stock of Rs.Nil, Previous Year: Rs.43.85 lacs}		
<b>TOTAL</b>	<b>3,183.76</b>	<b>2,786.25</b>
<b>Opening Stock:</b>		
Work-in-Process	999.87	2,449.84
Finished Goods	1,300.76	826.84
<b>TOTAL</b>	<b>2,300.63</b>	<b>3,276.68</b>
<b>GRAND TOTAL</b>	<b>883.13</b>	<b>(490.43)</b>
<b><u>SCHEDULE - 13 - RAW MATERIALS CONSUMED</u></b>		
Opening Stock	6,748.88	8,079.04
Add: Purchases including Job Charges	51,581.82	45,054.95
	58,330.70	53,133.99
Less: Closing Stock	7,457.29	7,398.32
{Including Damaged Stock of Rs.Nil, Previous Year: Rs.649.44 lacs}		
<b>TOTAL</b>	<b>50,873.41</b>	<b>45,735.67</b>
<b><u>SCHEDULE - 14 - EMPLOYEES' REMUNERATION AND BENEFITS</u></b>		
Salaries, Wages and Perquisites	3,735.20	2,670.78
Contribution to Provident and other Funds	188.57	153.32
Staff Welfare and Amenities	111.81	82.62
Gratuity	60.97	43.43
<b>TOTAL</b>	<b>4,096.55</b>	<b>2,950.15</b>

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b><u>SCHEDULE - 15 - MANUFACTURING AND OPERATING EXPENSES</u></b>		
Power, Fuel and Water Charges (Net of Captive Wind Power Credit of Rs.51.64 lacs, Previous Year: Rs.66.80 lacs)	200.57	125.53
Stores, Spares and Packing Materials	567.56	520.45
Repairs and Maintenance:		
Plant and Machinery	114.59	107.28
Buildings	46.20	25.22
Others	55.04	41.87
Research and Development Expenses	570.50	346.46
Quality Control and Testing	117.78	96.24
Misc. Manufacturing Expenses	0.96	0.78
<b>TOTAL</b>	<b>1,673.20</b>	<b>1,263.83</b>
<b><u>SCHEDULE - 16 - ADMINISTRATION, MARKETING AND MISCELLANEOUS EXPENSES</u></b>		
Rent	186.67	185.77
Rates and Taxes	118.23	79.51
Legal, Professional and Consultancy Charges	470.88	639.01
Travelling and Conveyance Charges	698.35	573.86
Advertisement, Publicity and Sales Promotion	269.93	369.27
Freight, Handling Charges, Octroi and Servicing Material	244.26	28.43
Warranty Expenses	976.03	-
Brokerage and Commission	4.94	493.49
Price Variation in ECC Projects (Power Sector)	546.79	-
Excise Duty Variance on material supply in ECC Projects (Power Sector)	591.47	-
Demurrages, Deductions and Bad Debts written off	803.01	2,947.87
Printing and Stationery	56.25	36.28
Postage, Telephone and Communication	102.40	95.17
Payment to Auditors	8.12	3.85
Amortisation of Deferred Revenue Expenses	264.54	264.54
Insurance Premium	139.13	75.16
Charity and Donation	13.37	1.39
Loss on Sale of Fixed Assets	3.87	6.96
Other Expenses	138.90	81.43
<b>TOTAL</b>	<b>5,637.14</b>	<b>5,881.99</b>
<b><u>SCHEDULE - 17 - INTEREST AND FINANCE CHARGES (NET)</u></b>		
Interest on Term Loan	50.28	78.40
Interest (Others)	2,943.22	3,368.37
Bank Charges	737.47	739.00
	<b>3,730.97</b>	<b>4,185.77</b>
Less: Interest received (Gross) (TDS Rs 93.82 lacs, Previous Year: Rs.99.85 lacs)	944.27	963.41
<b>TOTAL</b>	<b>2,786.70</b>	<b>3,222.36</b>

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

## SCHEDULE - 18

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

#### SIGNIFICANT ACCOUNTING POLICIES:

##### (1) Basis of Preparation of Financial Statements

The financial statements have been prepared on the basis of a going concern concept and under the historical cost convention, the Company adopts accrual basis in preparation of its accounts to comply in all material aspects with applicable accounting principles in India, the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are in consonance with those in use in the previous year except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policies hitherto in use.

##### (2) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumption to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results get materialized.

##### (3) Revenue Recognitions

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenues can be reliably measured. In respect of sale of goods, revenue is recognized on dispatch of goods to customers. In respect of construction contracts/installation works, revenue is recognized progressively on the basis of proportionate completion method. Other income, together with related tax credits and expenditures, are accounted for on accrual basis.

##### (4) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use. Cenvat credit on capital goods is accounted for by reducing the cost of capital goods except the Company's Haridwar units.

##### (5) Depreciation

Depreciation on fixed assets is provided on straight-line basis at the rate and in the manner specified in Schedule XIV of the Companies Act, 1956. Individual assets, cost of which doesn't exceed Rs.5,000/- each are depreciated in full in the year of purchase.

##### (6) Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of transaction.

Foreign currency denominated receivables and liabilities outstanding as at the year-end are reported using the closing-date rates. All exchange differences arising on settlement/ reinstatement of foreign currency transactions are included in the Profit and Loss Account, except in cases where they relate to the acquisition of fixed assets acquired from outside India, which are adjusted in the cost of the corresponding assets.

The forward exchange contracts are not held for trading or speculation. The premium or discount arising on entering into such contracts are amortised over the life of contracts and exchange difference arising on such contracts is recognized in the Profit and Loss Account.

##### (7) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term 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 the opinion of the management.

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

## **(8) Inventories**

Items of inventories are measured at lower of cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their present location and condition.

## **(9) Borrowing Costs**

Borrowing costs are recognized as expenses in the period in which they are incurred except for borrowings for acquisition of qualifying assets which are capitalized up to the date, the asset is ready for its intended use.

## **(10) Sales and Services**

Sales include sale of goods, sale of scrap, service charges, installation charges, excise duty and cess but exclude sales tax and VAT.

## **(11) Deferred Revenue Expenditure**

Deferred revenue expenditure is amortized over a period of three to five years based on their estimated life of benefits.

## **(12) Employee Benefits**

Company's contributions to recognized provident fund are charged to the Profit and Loss Account on accrual basis. Gratuity is charged to the Profit and Loss Account on the basis of actuarial valuation as at year end. Leave encashment benefits to eligible employees has been ascertained on actuarial basis and provided for. Actuarial gain/loss in respect of the same is charged to the Profit and Loss Account.

## **(13) Provision for Current Income Tax and 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 Income Tax Act, 1961. Deferred income tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rate and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

## **(14) Provisions, 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 notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statement.

## **(15) Impairment of Assets**

The carrying amount of assets is reviewed periodically for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Post impairment, depreciation is provided on the revised carrying value of the assets over its remaining useful life.

## **(16) Export Benefits**

Export benefits under Duty Exemption Pass Book Scheme received by the Company against exports made by it are recognized on accrual basis.

## **NOTES FORMING PART OF THE ACCOUNTS:**

- (1) The previous year's figures have been regrouped, rearranged and reclassified, wherever necessary to conform to current year's classification and/or to make it comparable.
- (2) The Company is primarily engaged in the business of 'Metering Solutions', 'Engineering, Construction and Contracts in Power Distribution & Transmission Sector on turnkey basis', 'UPS', 'Inverters' and 'Transformers', which relate to one segment only i.e. Power segment.



# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(3) Capital Commitments:

(Rs. in Lacs)

S. No.	Particulars	As at 31.03.2011	As at 31.03.2010
1	The estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances)	297.27	270.31

(4) Contingent liabilities (to the extent not provided for):

(Rs. in Lacs)

S. No.	Particulars	As at 31.03.2011	As at 31.03.2010
1	Counter guarantees given by the Company against Bank Guarantees issued by banks and against which Margin money of Rs.1,796.36 lacs (Previous Year: Rs.1,708.26 lacs) was provided in the form of FDRs.	37,554.55	34,061.69
2	Letters of Credit outstanding at the end of the year, against which material was to be received and against which margin money of Rs.530.44 lacs (Previous Year: Rs.574.43 lacs) was given in the form of FDRs.	2,992.17	2,762.47
3	Income-tax demands contested in appeals. (In view of the settled case laws, decisions of Appellate Authorities in earlier years' on similar issues in favour of company and/or on merits, the management is of the opinion that no material impact is likely to result.)	4,658.46	1,233.27
4	Disputed demand of excise and service tax against which Rs.55.31 lacs (Previous Year: Rs.76.93 lacs) deposited under protest. (No provision has been made in accounts since the Company has disputed the said demands and filed the appeals with the respective appellate authorities.)	399.31	354.16
5	Disputed demand of CST and VAT against which Rs.35.11 lacs (Previous Year: Rs.150.17 lacs) deposited under protest. (In opinion of the management, no provision is considered necessary for disputed demands on the grounds that there are reasonable chances of successful outcome of appeals filed with the respective appellate authorities.)	446.22	1043.15
6	Corporate Guarantees to banks / financial institutions to secure the credit facilities.	10,200.00	5,000.00
7	Bank Guarantee facility availed from bank for Joint Venture.	500.00	500.00
8	Claims (Net of counter claim filed by the Company) made against the Company but not acknowledged as debts as these are not tenable in the opinion of the management of the Company.	208.13	162.31

- (5) The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no overdue to parties on account of principal amount and/or interest and accordingly no additional disclosures have been made.

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

- (6) Out of 1,10,00,000 (restated on account of split of shares) convertible warrants issued to one of the promoters of the Company, 40,00,000 warrants were converted into 40,00,000 fully paid-up equity share of Re.1/- each at a price of Rs.19/- per equity share including a premium of Rs.18/- per share on 11th February, 2011. The aforesaid equity shares rank pari passu in all respects including dividend with the existing equity shares of the Company.
- (7) During the year under review, the Company has splitted/sub-divided its equity shares of the face value of Rs.10/- each into ten equity shares of face value of Re.1/- each in order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors to purchase the equity shares of the Company.
- (8) Expenses amounting to Rs.4.91 lacs (Previous Year: Rs. 11.65 lacs) related to earlier years have been debited to the respective heads in the Profit and Loss Account.
- (9) Extraordinary items represent the insurance claim of Rs.631.07 lacs (Net of Taxes) (Gross of Rs.788.17 lacs) received from insurance company towards loss of assets in a fire/blast incidence at IOCL depot adjoining to Jaipur unit of the Company on 29th October, 2009.
- (10) The compensation/adhoc relief from IOCL through RIICO aggregating to Rs.1,417.62 lacs received in July, 2010 on account of blast/ fire incident on 29th Oct., 2009 at IOCL depot adjoining to Jaipur unit of the Company against submission of Bank Guarantee as per the order/direction of Hon'ble Rajasthan High Court ('RHC'). The RHC has passed order allowing our writ petition on 29-04-2011. The said order has further been challenged by RIICO Ltd. in writ revision petition dated 20-05-2011 and the same is under consideration of RHC. In view of above, the said adhoc relief is subject to final decision of Hon'ble Rajasthan High Court, hence it has not been charged to Revenue.
- (11) Outstanding balances of Debtors, Creditors, Loans and Advances are subject to confirmation/reconciliation.
- (12) Pursuant to Section 205A(5) of the Companies Act, 1956 and the Investor Education & Protection Fund (Awareness & Protection of Investor) Rules, 2001, during the year 2010-11 a sum of Rs.4.25 lacs being unclaimed/ unpaid dividend for the year 2002-03 has been transferred to the Investor Education & Protection Fund.
- (13) Payment to Auditors:

(Rs. in Lacs)

Particulars	2010-11	2009-10
Statutory Audit Fee	5.00	0.85
Tax Audit, Certification and Other Fees	2.94	2.78
Out of Pocket Expenses	0.18	0.22
<b>Total</b>	<b>8.12</b>	<b>3.85</b>

- (14) Managerial Remuneration (excluding contribution to gratuity fund and provision for leave encashment on retirement) paid/payable to Chairman and Executive Directors:

(Rs. in Lacs)

Particulars	2010-11	2009-10
Salary to Chairman and Executive Directors	175.80	187.30*
Commission	Nil	Nil
Contribution to Provident Fund	15.84	10.55
Perquisites	0.15	-
<b>Total</b>	<b>191.79</b>	<b>197.85</b>

- (15) Related Party Disclosures:

As required by Accounting Standard- 18, the disclosure of transactions with the related parties as defined in the Accounting Standard, are given below:

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(a) List of related parties with whom the Company has entered into transactions during the year:

## Key Management Personnel

- Mr. I.C. Agarwal
- Mr. Rajendra Kumar Agarwal
- Mr. Giriraj Kishore Sharma
- Mr. Kailash Chandra Agarwal (w.e.f. 24.01.2011)
- Mr. Jitendra Kumar Agarwal

## Relatives of Key Management Personnel

- R.K. Agarwal-HUF
- J.K. Agarwal-HUF

## Enterprises where the key managerial personnel along with their relatives exercise significant influence

- Genus Electrotech Ltd.
- Genus Innovation Ltd.
- Vivekshil Dealers Pvt. Ltd.
- Jay Narayan Bajranglal Todi Trust
- Hi-Print Electromack Pvt. Ltd.
- Virtuous Urja Ltd.
- K.C. Electrometers
- Kailash Coal And Coke Company Ltd.
- Genus Apparels Ltd.
- Genus International Commodities Ltd.
- L.M. Sagar Exports
- Amit Agarwal (HUF)
- J C Textile Pvt. Ltd.

## Associates / Joint Venture

- M.K.J. Manufacturing Pvt. Ltd.
- Virtuous Infra Limited
- Genus Consortium
- Genus Paper Products Ltd.
- Genus S.A., Brazil

(b) Detail of transactions entered into with related parties during the year and closing balance as at the year-end:

(Rs. in Lacs)

Nature of Transaction	Key Management Personnel	Enterprises where the Key Managerial Personnel along with their Relatives are able to exercise significant influence	Joint Ventures / Associates	Balance at the year end
Investments	-	325.00	2,600.00	8,096.38
	-	-	(2,944.18)	(5,171.38)
Sales / Receivable	-	2,008.63	111.38	3,518.60
	-	(602.72)	(152.16)	(1,838.54)
Purchases/ Payable	-	1,200.56	-	230.59
	-	(810.73)	(0.14)	(271.29)
Job Charges Paid / Payable	-	41.12	-	-
	-	(67.30)	-	-
Lease Rent and Interest Income	-	-	-	-
	-	(72.23)	-	-
Premises Rent / Lease Rent	1.80	44.40	-	-
	(1.80)	(46.76)	-	-
Advance / Loan given / Adjusted	0.57	32.34	26.01	929.90
	-	(4.24)	(2001.14)	(935.66)

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Advance / Loan taken / Adjusted	-	-	-	-
	-	(-19.06)	-	-
Remuneration Paid / Payable	191.79	-	-	1.02
	(197.85)	-	-	(3.48)
Sale / Purchase of Fixed Assets	-	64.72	-	-
	-	-	-	-
Counter Guarantee / Bank Guarantee	-	5,200.00	-	10,700.00
	-	(1,400.00)	-	(5,500.00)
Equity Warrants - Issue/Conversion	-	570.00	-	332.50
	-	(522.50)	-	(522.50)
Preference Shares Redeemed	-	-	-	-
	-	(500.00)	-	-

Note: Previous year's figures are mentioned in bracket.

(16) Interest in Joint Venture(s):

Name	Country of Incorporation	Proportion of ownership Interest	
		As on 31.03.11	As on 31.03.10
Genus S.A.	Brazil	50%	50%

The Company's interest in the joint ventures is reported as Long Term Investment (Schedule-6) and stated at cost. The Company's share of the assets and liabilities as on December 31, 2010 and income and expenses based on the financial statements for the year ended on that date, are given below:

(Rs. in Lacs)

S. No.	Particulars	As at 31.12.2010	As at 31.12.2009
1	Assets	720.55	1751.86
2	Liabilities	720.55	1751.86
3	Income	169.48	241.05
4	Expenses	683.26	194.64

(17) Basic and Diluted Earnings Per Share:

(Rs. in Lacs)

S. No	Particulars	2010-11	2009-10
(i)	Profit attributable to Equity Shareholders (Before Exceptional Items) (Rs. in lacs)	5,477.02	4,673.44
(ii)	Profit attributable to equity shareholders (After Exceptional Items) (Rs. in lacs)	6,108.09	2,592.29
(iii)	Weighted average number of Equity Shares outstanding	14,84,43,806	14,79,06,820
(iv)	Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	15,89,06,820	15,01,67,094
(v)	Basic Earnings Per Share (EPS) (Rs.) (Before Exceptional Items)	3.69	3.16
(vi)	Diluted Earnings Per Share (EPS) (Rs.) (Before Exceptional Items)	3.45	3.11
(vii)	Basic Earnings Per Share (EPS) (Rs.) (After Exceptional Items)	4.11	1.75
(viii)	Diluted Earnings Per Share (EPS) (Rs.) (After Exceptional Items)	3.84	1.73
(ix)	Face Value Per Share (Re.)	1.00	1.00

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(18) Break up of net deferred tax liabilities and assets into major components:

(Rs. in Lacs)

Particulars	Deferred Tax Liability / Asset as at 01.04.2010	Current Year Charge / (Credit)	Deferred Tax Liability / Asset as at 31.03.2011
Depreciation difference between Companies Act and Income Tax Act	532.27	184.77	717.04
Deferred Revenue Expenses	136.34	(105.58)	30.76
Disallowance under Section 43B	(37.82)	(32.75)	(70.57)
<b>Total</b>	<b>630.79</b>	<b>46.44</b>	<b>677.23</b>

(19) Additional information pursuant to the provisions of paragraph 3, 4-C and 4-D of Part-II of Schedule VI to the Companies Act, 1956:

(a) Particulars of Capacity:

Particulars	2010-11	2009-10
<b>Licensed Capacity:</b>	*	*
<b>Installed Capacity (Per Annum):</b>		
Energy Meter (Nos.)	65,00,000	65,00,000
Inverter/ UPS (Nos.)	6,00,000	6,00,000
HMC (Million Sq Inches)	3.00	3.00
RCC Pole (Nos.)	72,000	72,000
Transformer (Nos.)	12,000	12,000

\*No Industrial license is required for Industry.

(b) Opening Stocks:

Particulars	Unit	2010-11		2009-10	
		Qty.	(Rs. in Lacs)	Qty.	(Rs. in Lacs)
Energy Meter	Nos.	63,704	376.28	21,182	203.98
Power Inverter/ UPS <sup>1</sup>	Nos.	19,807	708.69	11,145	517.43
HMC	Nos.	56,443	1.66	61,866	11.76
Resistor Network	Nos.	1,03,268	-	1,06,286	3.36
SMT/PCB	Nos.	48,405	113.64	38,375	63.80
Transformer	Nos.	234	78.57	24	7.99
RCC Pole	Nos.	1,612	21.92	1,279	18.52
<b>Total</b>			<b>1300.76</b>		<b>826.84</b>

1. Includes stock lying at depots.

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

## (c) Closing Stocks<sup>(1)</sup>:

Particulars	Unit	2010-11		2009-10	
		Qty.	(Rs. in Lacs)	Qty.	(Rs. in Lacs)
Energy Meter	Nos.	1,77,410	1,095.05	63,704	376.28
Power Inverter/ UPS <sup>(2)</sup>	Nos.	48,391	1,398.07	19,807	708.69
HMC	Nos.	52,360	-	56,443	1.66
Resistor Network	Nos.	1,01,507	-	1,03,268	-
SMT/PCB	Nos.	47,063	84.47	48,405	113.64
Transformer	Nos.	398	87.88	234	78.57
RCC Pole	Nos.	1,046	13.29	1,612	21.92
<b>Total</b>			<b>2,678.76</b>		<b>1,300.76</b>

(1) Damaged stock in fire/ blast incident at IOCL depot, considered at 'zero' value. (2) Includes Stock lying at depots.

## (d) Production:

Particulars	Unit	2010-11 (Qty.)	2009-10 (Qty.)
Energy Meter <sup>(1)</sup>	Nos.	29,19,865	27,83,019
Power Inverter / UPS <sup>(2)</sup>	Nos.	1,49,872	1,45,925
HMC <sup>(3)</sup>	Nos.	60,988	24,219
Resistor Network <sup>(4)</sup>	Nos.	-	96,866
SMT / PCB <sup>(2&amp;5)</sup>	Nos.	13,11,404	15,61,424
Transformer <sup>(6)</sup>	Nos.	2,462	5,797
RCC Pole <sup>(7)</sup>	Nos.	-	6,478

(1) Includes nos. 143925 (Previous Year: 67323) Energy Meter used in captive use. (2) Includes production on job basis. (3) Includes nos. 4403 (Previous Year: 4519) HMCs used in captive consumption (4) Includes nos. 46 (Previous Year: 328) Resistor network used for captive use. (5) Includes nos. 1295526 (Previous Year: 1534174) PCBs used in captive consumption. (6) Includes nos. 950 (Previous Year: 3241) Transformer used in captive use (7) Includes nos. Nil (Previous Year: 1165) RCC Poles used in captive use.

## (e) Turnover:

Particulars	Unit	2010-11		2009-10	
		Qty.	(Rs. in Lacs)	Qty.	(Rs. in Lacs)
Energy Meter	Nos.	26,62,234	*36,030.03	26,73,174	*28,126.71
Power Inverter/UPS	Nos.	1,21,288	5,115.87	1,37,263	5,583.78
HMC	Nos.	60,668	72.56	25,123	40.06
Resistor Network	Nos.	1,715	0.16	99,556	45.18
SMT/PCB	Nos.	17,220	62.79	17,220	62.85
Transformer	Nos.	1,348	310.35	2,346	1,162.49
RCC Pole	Nos.	566	9.39	4,980	94.25
ECC Projects (Power Sector)	Nos.	-	30,660.05	-	31,207.65
<b>Total</b>			<b>72,261.20</b>		<b>66,322.97</b>

\* Includes metering solutions installation and component's revenue.

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

**(f) Value and percentage of raw material, component, stores and spares consumed:**

Particulars	2010-11		2009-10	
	(Rs. in Lacs)	% age	(Rs. in Lacs)	% age
Raw Material and Component				
Imported	10,095.20	19.84	7,161.17	15.66
Indigenous	40,778.21	80.16	38,574.50	84.34
<b>Total</b>	<b>50,873.41</b>	<b>100.00</b>	<b>45,735.67</b>	<b>100.00</b>
Store, Spares, Consumables and Packing Materials				
Imported	-	-	0.34	0.06
Indigenous	567.56	100	520.11	99.94
<b>Total</b>	<b>567.56</b>	<b>100.00</b>	<b>520.45</b>	<b>100.00</b>

**(g) CIF Value of Imports:**

(Rs. in Lacs)

Particulars	2010-11	2009-10
Raw Material and Components	11,338.38	7,266.32
Capital Goods	401.15	161.48
Store, Spares and Consumables	-	0.34
<b>Total</b>	<b>11,739.53</b>	<b>7,428.14</b>

**(h) Expenditure in Foreign Currency:**

(Rs. in Lacs)

Particulars	2010-11	2009-10
Travelling Expenses	34.85	10.55
Professional and Consultancy	6.08	2.77
Exhibition and Fair Expenses	5.50	3.52
Membership and Subscription	-	1.17
Fees and Taxes	27.60	-
Office Expenses	0.02	5.28
<b>Total</b>	<b>74.05</b>	<b>23.29</b>

**(i) Foreign Exchange Earning:**

(Rs. in Lacs)

Particulars	2010-11	2009-10
Export Sales (FOB) and Services	414.33	605.72



# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(20) Foreign Currency Exposures:

(a) The foreign currency exposures, that has not been hedged by derivative instruments:

(As on 31st March, 2011)

Particulars	Foreign currency equivalent (USD)	Foreign currency equivalent (EURO)	Rs. in Lacs
Foreign Currency Non Resident Borrowings (FCNR-B)	61,68,485.34	-	2,754.23
Buyer's Credit	69,90,308.41	1,06,000.00	3,188.21
Interest accrued but not due on Buyer's Credit	30,840.62	776.09	14.26
<b>Total</b>	<b>1,31,89,634.37</b>	<b>1,06,776.09</b>	<b>5,956.70</b>

(b) The foreign currency exposures, that has been hedged by derivative instruments (As on 31st March, 2011): Nil

(21) Disclosure of Employee Benefits (Pursuant to Accounting Standard-15 (Revised)):

(a) **Defined Contribution Plan:**

The Company's contributions paid/payable to Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognized as expense in the Profit and Loss Account during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

**Contribution to Provident Fund and Other Funds:** Rs.188.57 lacs (Previous Year Rs.153.32 lacs) is recognised as expenses and included in "Employees' Remuneration and Benefits" – Schedule-14 in the Profit and Loss Account.

(b) **Defined Benefit Plan:**

**Gratuity:** The Company makes annual contributions to the 'Employee Group Gratuity-cum-Life Assurance (Cash Accumulation) Scheme' of Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on retirement, death or on leaving service in terms of the provisions of the Payment of Gratuity Act, 1972.

**Leave encashment** is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the Company's policy. Leave encashment benefits to eligible employees has been ascertained on actuarial basis and provided for.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligations:

(Rs. in Lacs)

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Opening Balance	125.28	97.25	66.88	51.98
Current service cost	60.97	34.31	82.95	30.66
Interest cost	13.84	8.96	-	-
Benefit paid	-10.06	-15.24	-25.84	-15.76
Closing Balance	190.03	125.28	123.99	66.88

# SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

- (ii) Reconciliation of opening and closing balances of fair value of Plan Assets (Gratuity): (Rs. in Lacs)

Particulars	2010-11	2009-10
Fair value of Plan Assets at beginning of year	119.76	91.73
Expected return on Plan Assets	13.84	8.96
Employer contribution	38.35	34.31
Benefits paid	-10.06	-15.24
Fair value of Plan Assets at end of year	161.89	119.76

- (iii) Reconciliation of fair value of assets and obligations: (Rs. in Lacs)

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Fair value of Plan Assets	161.89	119.76	-	-
Present value of obligation	190.03	125.28	123.99	66.88
Amount recognised in Balance Sheet	28.14	5.52	123.99	66.88

- (iv) Expensed recognised during the year: (Rs. in Lacs)

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Current service cost	60.97	34.31	42.03	25.01
Interest cost	13.84	8.96	5.35	3.90
Actuarial (gain)/loss	-13.84	0.16	35.57	1.75
Expenses recognised	60.97	43.43	82.95	30.66

- (v) Assumption: (in %)

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Discount rate (per annum)	8%	8%	8%	7.50%
Rate of salary escalation (per annum)	8%	7%	8%	7.00%
Estimated rate of return on Plan Assets (per annum)	9.25%	9.15%	NA	NA

- (vi) Investment details:  
Gratuity amount invested in cash accumulation scheme of LIC of India.

As per our report of even date

For and on behalf of the Board

**For D. Khanna & Associates**

Firm Registration Number: 012917N  
Chartered Accountants

**Ishwar Chand Agarwal**  
Chairman

**Kailash Chandra Agarwal**  
Joint Managing Director

**Deepak Khanna**

Partner  
Membership No.092140

**Rajendra Kumar Agarwal**  
Executive Director & CEO

**Ankit Jhanjhari**  
Company Secretary

Jaipur, July 27, 2011

# BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956)

<b>I Registration Details</b>		<b>Application of Funds</b>	
Registration No.	L51909DL1992PLC133383	Net Fixed Assets	8,60,683
State Code	55	Investment	8,60,718
Balance Sheet Date	31.03.2011	Net Current Assets	50,50,094
<b>II Capital Raised during the year</b>	(Amount in Rs. Thousand)	Misc. Expenditure	9,257
Public Issue	NIL	<b>IV Performance of Company</b>	(Amount in Rs. Thousand)
Right Issue	NIL	Turnover (Net) (Total Income)	72,53,054
Bonus Issue	NIL	Total Expenditure	65,60,438
Private Placement / Preferential Issue	4,000	Profit before Tax	6,92,616
<b>III Position of Mobilisation and Deployment of Funds</b>	(Amount in Rs. Thousands)	Profit after Tax	5,47,702
Total Liabilities	67,80,752	Earning Per Share before Extraordinary Items (Rs.) (Basic)	3.69
Total Assets	67,80,752	Earning Per Share after Extraordinary Items (Rs.) (Basic)	4.11
<b>Sources of Funds</b>		Dividend Rate (%)	10
Paid up Capital	1,51,907	<b>V Generic names of three principal products/ Services of Company (as per monetary terms)</b>	
Warrants convertible into equity shares	33,250	(a). Item Code (ITC Code)	9801.0013
Reserve & Surplus	35,25,921	Product Description	Power Transmission & Distribution Projects
Secured Loan	26,22,496	(b). Item Code (ITC Code)	9028.3000
Unsecured Loan	3,79,455	Product Description	Electronic Energy Meter
Deferred Income Tax	67,723	(c). Item Code (ITC Code)	8504.4010
		Product Description	Inverter

As per our report of even date

For and on behalf of the Board

For **D. Khanna & Associates**

Firm Registration Number: 012917N  
Chartered Accountants

**Ishwar Chand Agarwal**  
Chairman

**Kailash Chandra Agarwal**  
Joint Managing Director

**Deepak Khanna**  
Partner  
Membership No.092140

**Rajendra Kumar Agarwal**  
Executive Director & CEO

**Ankit Jhanjhari**  
Company Secretary

Jaipur, July 27, 2011

# NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the Members of Genus Power Infrastructures Limited will be held on Saturday, the 10th day of September, 2011 at 11.00 A.M. at G-78, Preet Vihar, Vikas Marg, Delhi-110092, to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
2. To declare a dividend @ Re.0.10 per share on equity shares for the financial year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Ishwar Chand Agarwal, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Giriraj Kishore Sharma who retires from office by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Jitendra Kumar Agarwal, who retires from office by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Vishnu Todi, who retires from office by rotation and being eligible, offers himself for re-appointment.
7. To appoint M/s. D. Khanna & Associates, Chartered Accountants, the retiring auditors, as Statutory Auditors to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to fix their remuneration.

## SPECIAL BUSINESS

8. To consider and, if thought fit, to pass the following resolution with or without modification(s), if any, as a Special Resolution: -

"RESOLVED THAT existing Article 75 (a) of the Articles of Association of the Company, be and is hereby substituted by new Article 75 (a) as under: -

"75 (a). The present directors of the Company are as follows:

1. Mr. Ishwar Chand Agarwal
2. Mr. Kailash Chandra Agarwal
3. Mr. Rajendra Kumar Agarwal
4. Mr. Jitendra Kumar Agarwal
5. Mr. Giriraj Kishore Sharma
6. Mr. Vishnu Todi
7. Mr. Rameshwar Pareek
8. Wg. Cdr. (Retd.) B. S. Solanki

9. Mr. Dharam Chand Agarwal
10. Mr. Indraj Mal Bhutoria
11. Mr. Udit Agarwal
12. Mr. Naveen Gupta"

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Directors and Company Secretary of the Company, be and are hereby authorised severally to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including filing the necessary forms/documents with the concerned Registrar of Companies."

9. To consider and, if thought fit, to pass the following resolution with or without modification(s), if any, as a Special Resolution: -

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company approves the re-appointment of Mr. Giriraj Kishore Sharma as Executive Director of the Company for a period of three years with effect from 24.07.2011, on the following terms and conditions: -

- a) Salary: Rs. 1,65,000/- per month
- b) Other Perquisites as per rules of company."

"RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to vary, modify or alter the different components of the aforesaid remuneration as may be agreed to by the Board of Directors and Mr. Giriraj Kishore Sharma."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, the Directors and Company Secretary of the Company, be and are hereby authorised severally to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including filing the necessary forms/documents with the concerned Registrar of Companies."

10. To consider and, if thought fit, to pass the following resolution with or without modification(s), if any, as a Special Resolution: -

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company approves the re-appointment of Mr. Jitendra Kumar Agarwal as Executive Director of the Company for a period of three years with effect from 20.09.2011, on the following terms and conditions: -

- a) Salary: Rs.2,70,000/- per month.
- b) Allowances & Perquisites:

# NOTICE OF THE ANNUAL GENERAL MEETING

- i) Furnished residential accommodation or House Rent Allowance payable @ Rs.30,000/- per month by the Company, with water, gas, electricity, Sweeper, Gardner, Watchman and personal attendant.
- ii) Medical benefits for self and family: Reimbursement of all expenses actually incurred in India and/or abroad.
- iii) Leave Travel Concession for self, wife and minor children once a year.
- iv) Fees of clubs subject to a maximum of two clubs.
- v) Premium on Personal accident insurance policy as per the Company's rules.
- vi) Premium on Medical Insurance for self and family as per the Company's rules.
- vii) Company's contribution towards provident fund as per rules of the Company but not exceeding 12% of salary.
- viii) Gratuity not exceeding one and half month's salary for each completed year of service.
- ix) Encashment of leave as per rules of the Company.
- x) Free use of car with driver.
- xi) Free telephone facility at residence including mobile phone."

"RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to vary, modify or alter the different components of the aforesaid remuneration as may be agreed to by the Board of Directors and Mr. Jitendra Kumar Agarwal."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, the Directors and Company Secretary of the Company, be and are hereby authorised severally to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including filing the necessary forms/documents with the concerned Registrar of Companies."

11. To consider and, if thought fit, to pass the following resolution with or without modification(s), if any, as a Ordinary Resolution: -

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Naveen Gupta, who was appointed as an Additional Director pursuant to provisions of Section 260 of the Companies Act, 1956, be and

is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Directors and Company Secretary of the Company, be and are hereby authorised severally to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including filing the necessary forms/documents with the concerned Registrar of Companies."

12. To consider and, if thought fit, to pass the following resolution with or without modification(s), if any, as a Special Resolution: -

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 and confirmation of the Company Law Board under Section 17 of Companies Act, 1956, the Registered Office of the Company, be shifted from the National Capital Territory of Delhi to the State of Uttar Pradesh ('U.P.') and Clause II of the Memorandum of Association of the Company be altered by substituting the words "N C T of Delhi" by the words "State of Uttar Pradesh" and shall consequently read as follows:

"II. The Registered Office of the Company will be situated in the State of Uttar Pradesh."

"RESOLVED FURTHER THAT on obtaining the confirmation from the Company Law Board, the Registered Office of the Company, be shifted from the National Capital Territory of Delhi to any place in State of U.P. as the Board may think fit."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, the Directors and Company Secretary of the Company, be and are hereby authorised severally to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including filing a petition before the Company Law Board, signing and filing necessary forms, affidavits, declarations, vakalatnamas, certificates, undertakings and such other documents as are necessary with the Company Law Board, the concerned Registrar of Companies and such other statutory authorities as may be necessary."

By Order of the Board of Directors

**Ankit Jhanjhari**  
Company Secretary

**Registered Office:** D-116, Okhla Industrial Area,  
Phase 1, Okhla, New Delhi-110020  
Jaipur, July 27, 2011

# NOTICE OF THE ANNUAL GENERAL MEETING

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.**
2. Corporate members desiring to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.
3. The explanatory statement for special business is annexed herewith.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, September 03, 2011 to Saturday, September 10, 2011 (both days inclusive).**
5. The dividend on Equity Shares, if declared at the forthcoming Annual General Meeting, will be credited/ dispatched between **September 11, 2011 and September 25, 2011** as under: -
  - (a) To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be available to the Company by NSDL and CDSL as at the end of business day hours on **Friday, September 02, 2011**; or
  - (b) To all those members holding shares in physical form whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company / Registrar upto the close of business hours on **Friday, September 02, 2011.**
6. Members are requested to send their queries, if any, atleast ten days in advance of the meeting so that the information can be made available at the meeting.
7. Members, who hold shares in physical form, are requested to notify immediately any change in their addresses to the Company/Registrars and Share Transfer Agents of the Company along with their Banks/Electronic Clearing Services (ECS) details as follows:
  - Name of the Sole/First/Joint Holder
  - Folio Number
  - Bank Account Number maintained in India with 9-digit code number, type of account, complete name & address of the Bank.
8. Members, who have dematerialised their shares, are requested to inform change of address and change in Bank Account details, to their respective Depository Participants directly. Members may note that their Bank Account details as furnished by their Depositories to the Company will be printed on their Dividend Warrant(s) and the Company will not entertain any direct request from such shareholder for change in such Bank details.
9. Members are requested to address all correspondence regarding Transfer and Transmission of Share(s), Duplicate Share Certificate(s), Duplicate Dividend Warrant(s), Dividend Mandate, Dematerialisation and Rematerialisation of Share(s), etc. to the Company's Registrar & Share Transfer Agent, M/s. Niche Technologies Private Limited, D-511, Bagree Market, 71, B. R. B. Basu Road, Kolkata – 700 001.
10. The Company has designated a separate e-mail ID of the grievance redressal division / compliance officer named **"cs@genus.in"** exclusively for the purpose of registering complaints by investors.
11. Pursuant to provisions of Section 205A and 205C of the Companies Act, 1956, all unpaid/unclaimed dividends upto the financial year 2002-03, which remained unpaid or unclaimed for a period of seven years, have been transferred to the Investor Education and Protection Fund (IEPF) established under Section 205C of the Companies Act, 1956. Shareholders, who have not yet encashed their dividend warrants issued for the years 2003-04, 2004-05 (Interim & Final Dividend), 2005-06, 2006-07, 2007-08, 2008-09 & 2009-10 are requested to encash their dividend warrants, immediately. It may be noted that no claims thereafter shall lie against the Company or the IEPF in respect of any dividend amounts which were unclaimed and unpaid for a period of seven years from the respective date of declaration.
12. Members are requested to inform the Company / Share Transfer Registrar / Depository Participant, their bank account number with name of Bank and its branch so that the warrant(s) sent to them in future include details of their account number and designated bank branch, to avoid fraudulent encashment of the dividend warrants.
13. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the meeting as printed copies of the Report will not be distributed at the meeting.
14. 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.

# NOTICE OF THE ANNUAL GENERAL MEETING

15. All documents referred to in the accompanying Notice & Explanatory Statement will be available for inspection by the members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days upto the date of the AGM.
16. In terms of Articles 89 to 93 of the Articles of Association of the Company, at the ensuing Annual General Meeting, Mr. Ishwar Chand Agarwal, Mr. Giriraj Kishore Sharma, Mr. Jitendra Kumar Agarwal and Mr. Vishnu Todi, Directors shall retire by rotation and being eligible, offer themselves for re-appointment. Mr. Ishwar Chand Agarwal, Mr. Kailash Chandra Agarwal, Mr. Rajendra Kumar Agarwal and Mr. Jitendra Kumar Agarwal, are related to each other in terms of the definition of 'relative' given under the Companies Act, 1956. As required under Clause 49 of the Listing Agreement, the additional information of Directors retiring by rotation and eligible for appointment/re-appointment are given in the Corporate Governance Report.
17. The Ministry of Corporate Affairs ("MCA") has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide a circular dated April 21, 2011 stating that a Company can send documents through e-mail to its members. In view of this, **Members, who have not registered their e-mail address, so far, are requested to register their e-mail addresses with the Company at "cs@genus.in" or Registrar, M/s. Niche Technologies Private Limited at "nichetech@nichetechpl.com" or their concerned Depository Participants.**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

### Item No.8:

In order to facilitate our customers to know the present directors of the Company from the Articles of Association, the Article 75(a) is proposed to be altered as contained in the Resolution at Item No.8. This alteration can be made with consent of the members by way of special resolution under section 31 of Companies Act, 1956. The directors have recommended the said resolution.

None of the directors is in any manner interested in the said resolution.

### Item No.9:

Mr. Giriraj Kishore Sharma was re-appointed as Executive Director w. e. f. 24th July, 2009 for a period of 2 years and his tenure ends on 23.07.2011. After considering the success achieved by the Company through the efforts of Mr. Giriraj Kishore Sharma as Executive Director, the Board has recommended the re-appointment of Mr. Giriraj Kishore Sharma as Executive Director. The resolution at item 9 may also be treated as an abstract of terms of agreement between the Company and Mr. Giriraj Kishore Sharma, pursuant to section 302 of the Companies Act, 1956.

None of the Directors (except the appointee) is, in any manner, interested or concerned in the said resolution.

### Item No. 10:

The tenure of Mr. Jitendra Kumar Agarwal as Executive Director will end on 19.09.2011. Keeping in view the vast experience and immense knowledge of Mr. Jitendra Kumar Agarwal in his field and the growth made by the Company under his directions, the Board has recommended the re-appointment of Mr. Jitendra Kumar Agarwal as Executive Director. The resolution at item 10 may also be treated as an abstract of terms of agreement between the Company and Mr. Jitendra Kumar Agarwal pursuant to section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Ishwar Chand Agarwal, Mr. Kailash Chandra Agarwal, Mr. Rajendra Kumar Agarwal and the appointee, is concerned or interested in the said Resolution.

### Item No.11:

Pursuant to provisions of Article 78 of the Articles of Association and Section 260 of the Companies Act, 1956, Mr. Naveen Gupta was appointed as Additional Director of the Company on 07th July, 2011. He holds the Office as such upto the date of ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member for the appointment of Mr. Naveen Gupta as Director of the Company. He shall be liable to retire by rotation till he continues as director. The Board has recommended his appointment as Director of the Company.

He is the Managing Director of IEC Education Limited. He is also a Director on the Boards of IEC Leasing and

# NOTICE OF THE ANNUAL GENERAL MEETING

Capital Management Limited, IEC Learning and Management Limited, IEC Education and Infrastructure Limited, V.E.F. Biotech Private Limited, SatGuru Infracon Private Limited, VEF Housing Developers Private Limited, Vocational Education Society Private Limited, Sunway Energy Private Limited, VEF Hotels and Resorts Private Limited, R.L.N.G. Infrastructure Pvt. Ltd. and Novel Equipments Private Limited

None of the Directors (except the appointee) is in any manner, interested in the said resolution.

## **Item No.12:**

At present registered office of the Company is situated in New Delhi. Looking to the expanding operations of the Company it intends to relocate to larger premises in NCR in Noida in the state of Uttar Pradesh. It will be administratively convenient to keep the registered office of the Company there as well. Therefore it is planned to shift its Registered Office to State of Uttar Pradesh (UP).

The Registered Office from one State to another State can be shifted with the sanction of the Company Law Board under section 17 of the Companies Act, 1956 with prior approval of members by way of special resolution. Accordingly, Special Resolution is for consideration and approval by the members.

The Board of Directors has recommended the said Resolution.

None of the Directors is in any manner interested in the said Resolution.

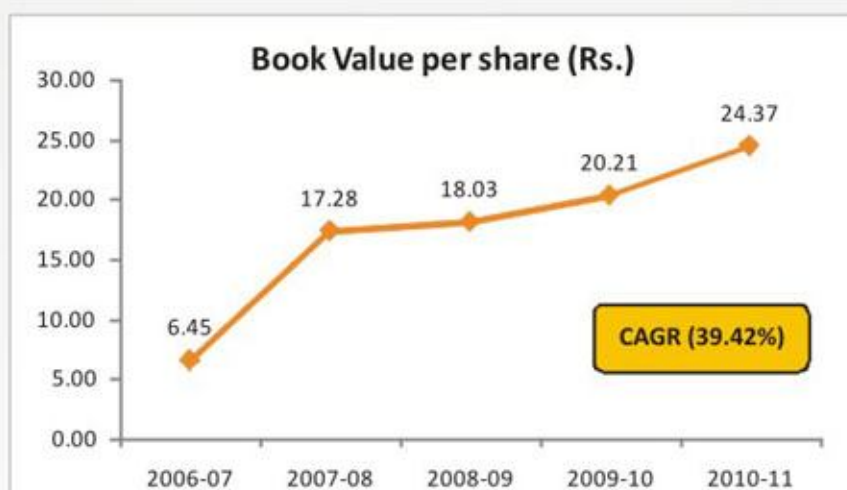
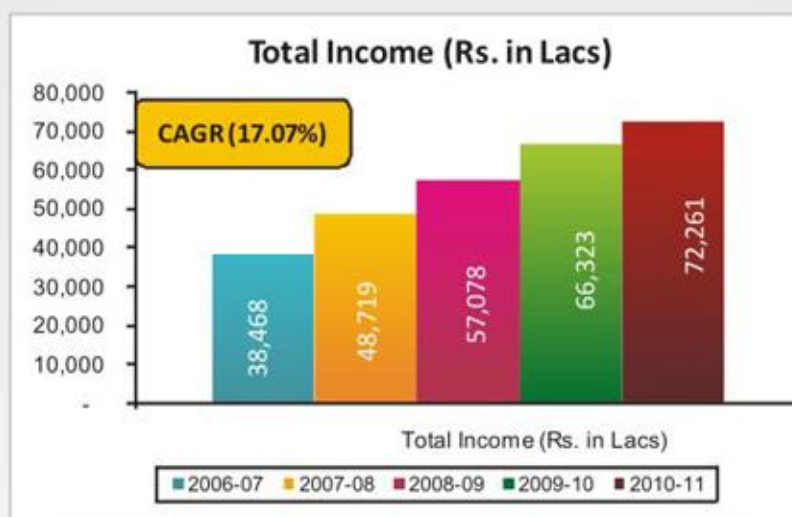
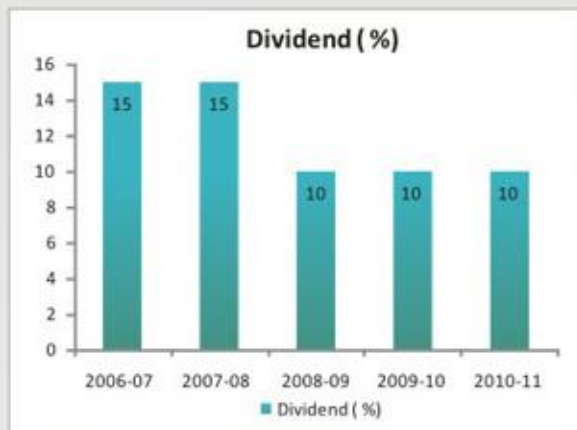
By Order of the Board of Directors

**Ankit Jhanjhari**  
Company Secretary

**Registered Office:** D-116, Okhla Industrial Area,  
Phase-1, Okhla, New Delhi-110020  
Jaipur, July 27, 2011

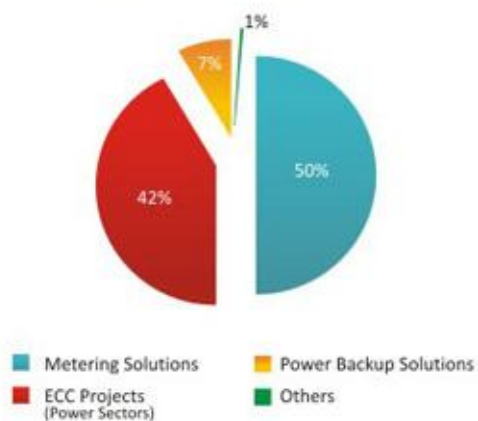


# PERFORMANCE HIGHLIGHTS

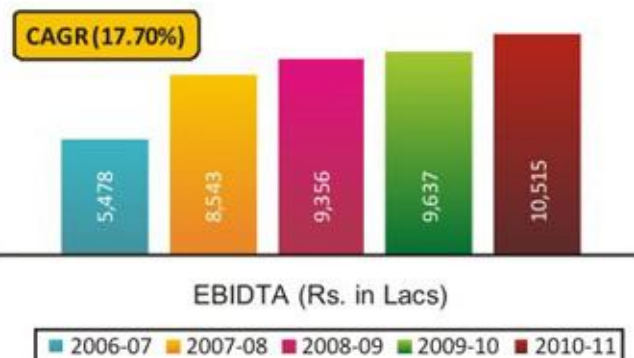


# PERFORMANCE HIGHLIGHTS

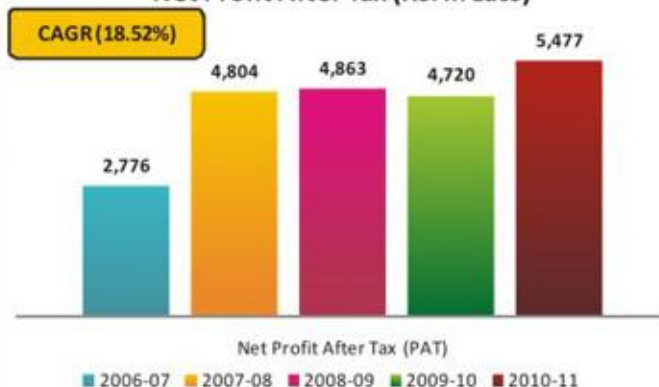
**Revenue Contribution (%)**



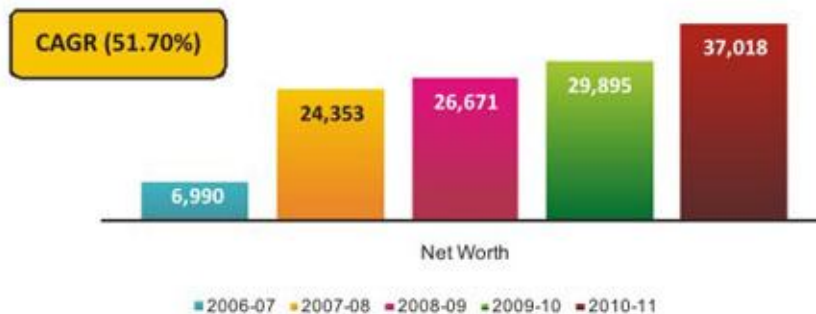
**Earning Before Interest, Depreciation, Tax and Amortisation (Rs. in Lacs)**



**Net Profit After Tax (Rs. in Lacs)**



**Net Worth (Rs. in Lacs)**



# GENUS PRODUCTS

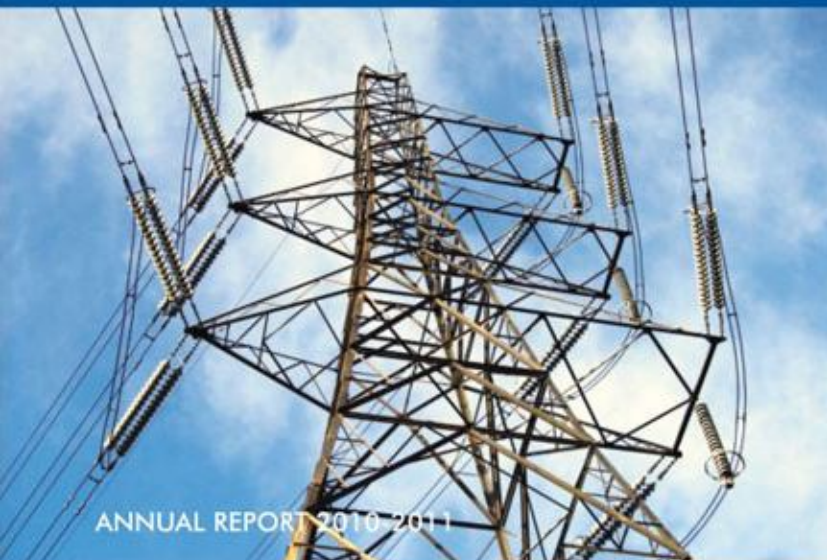
## POWER BACKUP SYSTEMS

- Home UPS
- Online UPS
- Home Inverter
- Lift Inverter
- Batteries



## ENGINEERING CONSTRUCTION & CONTRACTS (POWER SECTOR)

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>▪ Transmission and Distribution Networks</li> <li>▪ Substation commissioning</li> <li>▪ Rural Electrification</li> </ul> | <ul style="list-style-type: none"> <li>▪ Distribution Transformer Metering</li> <li>▪ Energy Accounting and Auditing at all distribution levels</li> <li>▪ Billing Solution with AMR Technology</li> </ul> |
|---|--|





# GENUS PRODUCTS

## ENERGY METERING SOLUTIONS



**Sinergy™**  
Multifunction Single Phase  
Energy Meter



**Trinergy™**  
Multifunction Three Phase  
Energy Meter



**Daksh™**  
Grid & Sub-station Meter-  
ABT Compliant



**AMR Solutions**  
Modem RF, PLCC,  
GSM & GPRS



**Smart  
Group Metering  
Solutions**



**Smart  
Street Light  
Management System**



**Sampoorna™**  
Thread-through Metering Solution  
for Distribution Transformer



**Agrim™**  
Prepayment  
Electricity Meter



**Distribution  
Transformer Metering**  
IT Enabled Energy  
Auditing System



**Achook™**  
Portable Single Phase  
Reference Meter

# GENUS LOCATIONS



- Regional Offices
- ECC Sites/Offices
- Plants
- ★ Registered Office

# Genus Power Infrastructures Limited

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

## PROXY FORM

DP ID No. \_\_\_\_\_ Regd. Folio No./Client ID No. \_\_\_\_\_

DP Name: \_\_\_\_\_ No. of Shares held: \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being member(s) of

Genus Power Infrastructures Limited, hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ or failing him

\_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on Saturday, the 10th day of September, 2011 at 11.00 A.M. at G-78, Preet Vihar, Vikas Marg, Delhi-110092, and at any adjournment thereof.

Signature \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

Affix Revenue  
Stamp of  
One Rupee  
(Please sign  
across the  
stamp)

### Notes:

1. The proxy need NOT be a member.
2. The proxy form signed across revenue stamp should reach the Company's registered office at least 48 hours before the scheduled time of meeting.
3. Proxy cannot speak at the meeting or vote on a show of hands.
4. The Company reserves the right to ask for identification of the proxy.

# Genus Power Infrastructures Limited

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

## ATTENDANCE SLIP

DP ID No. \_\_\_\_\_ Regd. Folio No./Client ID No. \_\_\_\_\_

DP Name: \_\_\_\_\_ No. of Shares held: \_\_\_\_\_

I certify that I am a registered member / proxy for the registered member of the Company. I hereby record my presence at the 19th Annual General Meeting of the Company held at G-78, Preet Vihar, Vikas Marg, Delhi-110092, on Saturday, the 10th day of September, 2011 at 11.00 A.M. and at any adjournment thereof.

Member's Name \_\_\_\_\_

Complete Address \_\_\_\_\_

Proxy's Name \_\_\_\_\_

### Notes:

1. Attendance slip, which is not complete in all respects, shall not be accepted.
2. Attendance slip shall be handed over at the entrance of the meeting hall.
3. Joint members may obtain attendance slip from the registered office of the Company

Signature of Member / Proxy \_\_\_\_\_



## **Genus Power Infrastructures Ltd.**

(A Kailash Group Company)

### **CORPORATE OFFICE**

SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur-302022 (Rajasthan)  
Tel: 0141-3911400/500 Fax: 0141-2770319 | E-mail: [cs@genus.in](mailto:cs@genus.in) / [info@genus.in](mailto:info@genus.in)

### **REGISTERED OFFICE**

D-116, Okhla Industrial Area, Phase-1, Okhla, New Delhi-110020  
Tel: 011-47114800 Fax: 011-47114833 | E-mail: [cs@genus.in](mailto:cs@genus.in) / [info@genus.in](mailto:info@genus.in)

**Website: [www.genus.in](http://www.genus.in)**