



GENUS PAPER & BOARDS LIMITED

Our Company (Corporate Identification Number-U21098UP2012PLC048300) was incorporated as a public limited company on January 11, 2012 as "Genus Paper & Boards Limited" with its registered office at Village Aghwanpur, Kanth Road, Moradabad, Uttar Pradesh-244001. Our Company received certificate of commencement of business on January 13, 2012 from the Registrar of Companies, Kanpur.

Registered Office: Village Aghwanpur, Kanth Road, Moradabad, Uttar Pradesh-244001

Website: www.genuspaper.com **Tel:** 0591 2511171 **Fax:** 0591 2511242

Corporate Office: D-116, Okhla Industrial Area, Phase-I, New Delhi-110020 **Tel:** 011 47114800 **Fax:** 011 47114833

Contact Person: Mr. Ankit Agarwal, Company Secretary and Compliance Officer

Information Memorandum for listing of 25,71,25,940 equity shares of Re.1 each

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking a decision to invest in the shares of our Company. For taking an investment decision, Investors must rely on their own examination of our Company including the risks involved.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are proposed to be listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). For the purposes of this listing, the Designated Stock Exchange is BSE.

Our Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on our Company's website viz. www.genuspaper.com. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

REGISTRAR AND SHARE TRANSFER AGENT



Niche Technologies Private Limited

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SEBI Registration No: INR 000003290 (CATEGORY-I)

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

In this Information Memorandum, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section.

In this Information Memorandum, unless otherwise indicated or the context otherwise requires, all references to “Genus Paper & Boards Limited”, the/our “Company”, “Resulting Company” or “we”, “our” or “us” are to Genus Paper & Boards Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Village Aghwanpur, Kanth Road, Moradabad-244001, Uttar Pradesh or, as the context requires, and references to “you” are to the prospective investors in the Equity Shares.

Conventional and General Terms / Abbreviations

Term	Description
Act/Companies Act	Companies Act, 1956 /Companies Act, 2013 as amended from time to time
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CIT(A)	Commissioner of Income Tax (Appeals)
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant/DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extra-Ordinary General Meeting
EPS	Earnings per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 including the regulations framed thereunder
FII	Foreign Institutional Investor as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board, Ministry of Finance, GoI
FVCI	Foreign Venture Capital Investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI under applicable laws in India
GAAP	Generally Accepted Accounting Principles
GoI	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IT Act	Income Tax Act, 1961
Indian GAAP	Generally accepted accounting principles followed in India

IEC	Importer Exporter Code
JV	Joint Venture
KMPs	Key Managerial Personnel
LC	Letter of Credit
Mn.	Million/Millions
MT./MT	Metric Tonne(s)
MAT	Minimum Alternate Tax
MICR	Magnetic Ink Character Recognition
MoU	Memorandum of Understanding
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NR	Non-Resident
NRI	Non-Resident Indian
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
p.a.	Per annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number under the IT Act
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
Rs. / Rupees / INR /	Indian Rupees
RTGS	Real Time Gross Settlement
SIA	Secretariat for Industrial Assistance
SME	Small and Medium Enterprises
SSI	Small Scale Industry
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	Securities Contract (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
STT	Securities Transaction Tax
TDS	Tax Deducted At Source
Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Trademark Act	Trademark Act, 1999
US/USA	United States of America
USD or \$ or US \$	United States Dollar
VAT	Value Added Tax
WIP	Work-in-progress

Company Related and Industry Related Terms

Term	Description
Appointed Date	April 1, 2011
Designated Stock Exchange	BSE Limited

Draft Information Memorandum / DIM	The draft information memorandum filed with the Stock Exchanges known as and referred to as the Draft Information Memorandum or DIM
Effective Date	November 29, 2013
Equity Share(s) or Share(s)	Our equity shares having a face value of Re 1 unless otherwise specified in the context thereof
Equity Shareholder / Shareholder	A holder of the Equity Shares
Financial Year/ Fiscal/ Fiscal Year/ FY	Any period of twelve months ended March 31 of that particular year, unless otherwise stated.
Group Companies	Includes those companies, firms and ventures that are promoted by our Promoters, irrespective of whether these entities are covered under Section 370(1)(B) of the Companies Act.
Information Memorandum	This document filed with the Stock Exchanges and SEBI is known as and referred to as the Information Memorandum or IM
Listing Agreement	The listing agreements entered into between us and the Stock Exchange
Scheme/Scheme of Arrangement	Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 among Genus Paper Products Limited, Genus Power Infrastructures Limited and Genus Paper & Boards Limited and their respective shareholders and creditors as sanctioned by the High Court of Judicature at Allahabad on 29 th October 2013 and effective from 29 th November 2013.
GPPL / Transferor Company	Genus Paper Products Limited, a public limited company incorporated under the Companies Act, 1956
Genus Power Infrastructures Limited/GPIL/Demerged Company	Genus Power Infrastructures Limited, a public limited company incorporated under the Companies Act, 1956
GPIL Demerged Undertaking	The entire business and undertaking of GPIL relating to its Non Power Infrastructure business and related activities including inter-alia all the assets and properties, debts, liabilities, duties and obligations, contingent liabilities, the movable and immovable properties, all permanent employees relating to the said Non power Infrastructure business and undertaking as defined in detail in the Scheme
Promoters	Our Promoters being Mr. Ishwar Chand Agarwal, Mr. Kailash Chandra Agarwal, and Mr. Himanshu Agarwal
Promoter Group	Unless the context requires otherwise, the entities forming part of the promoter group in accordance with the SEBI ICDR Regulations and which are disclosed by us to the Stock Exchange from time to time
Registrar of Companies/ RoC	The Registrar of Companies, 10/499-B, Allenganj, Khalasi Line, Kanpur – 208 002, Uttar Pradesh
Registrar and Transfer Agent	M/s Niche Technologies Private Limited, Kolkata
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
Stock Exchange	BSE and NSE
Articles/ Articles of Association	The articles of association of our Company, as amended
Auditors	The statutory auditors of our company namely M/s Pradeep Hari & Co, Chartered Accountants, Moradabad
Board/ Board of Directors	Board of Directors of our Company
Memorandum/ Memorandum of Association	The memorandum of association of our Company, as amended

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, and “Financial Statements” on pages 203, 27 and 109, respectively, shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS; USE OF FINANCIAL AND MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements. The fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular fiscal year are to the twelve month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

All references to "India" contained in this Information Memorandum are to the Republic of India. All references to "Rupees" or "Rs" or "Re" or "INR" are to Indian Rupees, the legal currency of the Republic of India.

All references to the "Government" are to the Government of India, or the State Governments, as applicable.

All references to "lacs" or "lakhs" contained in this Information Memorandum are to Rs.1,00,000/-. All references to "crores" or "crore" are to Rs. 1,00,00,000/-. All references to "Mn. Mt." are to Million MT.

For additional definitions, please see the section titled "Definitions, Abbreviations and Industry Related Terms" of this Information Memorandum.

Unless stated otherwise, industry information used throughout this Information Memorandum has been obtained from industry publications and internal Company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry information used in this Information Memorandum is reliable, it has not been independently verified and is subject to change. Similarly, internal company reports, while believed by us to be reliable, have not been verified by any independent source.

The information included in this Information Memorandum about various other companies is based on their respective annual reports and information made available by the respective companies.

FORWARD LOOKING STATEMENTS

Certain statements in this Information Memorandum which contain words or phrases such as "will", "may", "aim", "is likely to result", "believe", "expect", "continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "pursue" and similar expressions or variations of such expressions, that are "forward looking statements".

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to:

- i. General economic and business conditions in the markets in which we operate and in the local, regional and national economies
- ii. Disruptions in our manufacturing facilities
- iii. Disruption in raw material supply and prices
- iv. Increase in cost of power or other fuel
- v. Competition from existing and new players
- vi. Our ability to meet our Working capital arrangements & Capital expenditure requirements
- vii. Growth of unorganized sector and threat from national/regional players
- viii. Changes in laws and regulations relating to the industry in which our Company operates
- ix. Loss or shutdown of our operations at any time due to strike or labour unrest or any other reason
- x. Our ability to successfully implement our strategy, growth and expansion plans
- xi. Non renewal or receipt of government approvals
- xii. Changes in political and social conditions in India
- xiii. The adverse outcome of legal or regulatory proceedings that our Company is or might become involved-in
- xiv. Contingent liabilities, environmental problems and uninsured losses
- xv. Uncertainty in Indian and global financial markets

For a further discussion of factors that could cause the actual results to differ, please refer to the chapter "Risk Factors" on page 7. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor any of our affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI requirements, our company will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II - RISK FACTORS

Investors should read the following Risk Factors along with more detailed information about our Company and the financial statements of our Company included elsewhere in the Information Memorandum. Investment in equity shares involves a high degree of risk. Investors should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares may decline, and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, our Company is not in a position to quantify the financial or other implication of any of the risks described in this section. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

RISKS RELATING TO OUR COMPANY'S BUSINESS

I. INTERNAL RISK FACTORS

1. Our business may be affected by certain disruptions

Industrial disruptions, work stoppages, labour disputes, refurbishments, installation of new plants etc. can result in production losses, which may adversely affect our profitability. Production may fall below historic or estimated levels as a result of these causes.

2. Any inability to manage working capital, predominantly in inventories and book debt, may affect our cash flows and adversely affect our results of operations and financial condition

Currently, a significant portion of our Company's revenues are generated from products that are characterized by high investments in working capital, predominantly in inventories and book debt. Any increase in these investments due to a change in the business scenario may constrain our cash flows and adversely affect our results of operations and financial condition.

3. The success of our Company depends upon the Senior Management Personnel and Key Personnel and our ability to attract and retain them. Our inability to attract and retain key managerial personnel may adversely affect our business operations

We believe that there is significant demand for personnel who possess the skills needed to perform the services it offers. Our future performance depends on our ability in continuing to identify, hire and retain key technical, support, engineers, and other qualified personnel. Failure to attract and retain such personnel could have a material adverse impact on our business, financial condition and results of operations.

4. We face competition from other established companies and future entrants into the industry

We operate in the domestic market where we face competition from various players. Growing competition may force us to reduce the prices of our products, which may reduce revenues and margins and/or decrease market share, either of which could impact our results of operations.

5. Our Company's business is dependent upon its ability to procure and supply of raw materials for its operations and the supply and cost of which can be subject to significant variations due to factors beyond the control of our Company

The ability of our Company to manufacture and produce final product is dependent on its ability to procure raw materials and fuel in a cost effective and efficient manner. One of the key ingredients in the manufacture of final product is Waste Paper. Our Company is dependent on various domestic suppliers to provide certain raw materials, including gypsum and additives such as fly ash, silica and iron ore. Our

Company is also dependant on various domestic/foreign suppliers for the supply of coal, lignite and petcoke. If our Company is not able to obtain adequate supplies of these materials or fuel in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, the business, operations and financial condition of our Company may be materially and adversely impacted.

- 6. The Company is partially dependent on third party transportation providers for the supply of raw materials and delivery of finished products. Any failure by such providers to deliver the raw materials on time or any strike by such transporters or any hike in cost of transportation by such operators could have an impact on our production schedules and this could in turn have an adverse impact on our operations and profitability of our company**

The Company uses third-party transportation providers for partial supply of raw material and for delivery of its products to its customers. Transportation strikes by members of various Indian Transport Union have occurred in the past, and could occur in the future also. This could have an adverse impact on the timely receipt of supplies by the Company and in turn our ability to deliver our finished products to our customers. In addition, increase in transportation costs may have an adverse effect on its business and results of operations.

- 7. Our customers may have weak credit histories which may affect their ability to pay us. Any delay or default in payment by our customers could adversely affect our financial position and results of operations**

Our customers may have had weak credit histories and we cannot assure you that these entities will always be able to pay to us in a timely manner, if at all. Any change in the financial position of our customers that adversely affects their ability to pay us may adversely affect our own financial position and results of our operations.

- 8. Mishaps or accidents at the manufacturing facilities could result in a loss or shutdown of operations and could also cause damage to life and property**

Our manufacturing facilities are subject to the risks of mishaps or accidents which could lead to property damage, property loss and accident claims. Any such incident could have an impact on our business operation and profitability.

- 9. Our Company may not have adequate insurance to cover any and all losses incurred in our business operations**

Our manufacturing & operational activities could result in personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. For details of our insurances please refer to heading Insurances on page 57 of this Information Memorandum. Although we believe that our Company has insurance that is customary for operating paper manufacturing plants & Steel (MS Ingots) plants in India, this insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

- 10. Our operating results depend on competitive advantage our Company enjoys with our key large customers**

Our strategy is to focus on customers, who are limited in number, and therefore our Company is required to be competitive in the market. This will bring pressures on our margins and consequently our results of operations and our business may be affected.

11. Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations

Our Company is resultant of de-merger of Non Power Infrastructure Undertaking of Genus Power Infrastructure Limited (GPIL) pursuant to the Scheme. Pursuant to the said demerger, all business approvals have been transferred in our Company's name. Further, our Company requires certain approvals, licences, registrations and permissions to operate our business, some of which may have expired and for which we may have either made, or are in the process of making, an application for obtaining the approval for its renewal. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected.

12. Our Company is exposed to market risk from interest rate fluctuations

An increase in interest rates or an increase in the margin on which finance can be obtained may increase our Company's financing costs and such increase in interest rates may increase the cost of borrowing, which could have an adverse impact on our business, financial condition and results of operations.

13. There are outstanding litigations against our Company and our Group Companies

There are legal proceedings pending at different levels of adjudication before various courts and tribunals in respect of the Non Power Infrastructure business being demerged into our Company. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, our Company may need to make provisions in our financial statements, which could increase our expenses and our current liabilities.

There are certain claims pending in various courts and authorities at different levels of adjudication against our Group Companies.

14. Our ability to pay dividends in the future will depend upon our future earnings, cash flows, working capital requirements, lender's approvals and other factors

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Our business is capital intensive and we may plan to make additional expenditures to complete the projects that we are developing, or to develop new projects. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our future earnings and financing arrangements for the projects, financial condition and results of operations.

15. Our manufacturing activities are dependent on the availability of skilled and unskilled labour. Our inability to attract labour or maintain harmonious relationship with them could affect the operations of the company

The company currently has harmonious industrial relations with its workers. Although, the Company has not had any significant problems right from its inception, any strikes, lockouts etc. can significantly reduce our productivity and affect our business operations.

16. Our financing arrangements contain certain restrictive covenants which could adversely impact our ability to conduct our business operations and adversely affect our results of operations

The indebtedness incurred and the restrictions imposed on us by our current or future loan arrangements could adversely impact our ability to conduct our business operations and result in other significant adverse consequences, including, but not limited to, the following:

We may be required to obtain approval from our lenders regarding, among other things, any amalgamation or merger, incurrence of additional indebtedness, disposition of assets and expansion of our business, change in capital structure, change in management, payment of dividends and modification in any project documents. We cannot assure investors that we will receive such approvals in a timely manner or at all;

We may be required to maintain certain financial ratios. If we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Furthermore, certain of our financing arrangements may contain cross default provisions which could automatically trigger defaults under other financing arrangements. Additionally, because some of our borrowings are secured against our assets, our lenders may be able to sell those assets to enforce their claims for repayment;

Our ability to obtain additional financing through debt or equity instruments in the future and to acquire assets (including any shares, debentures or partnership interest), or make certain investments may be impaired which may increase our vulnerability to general adverse economic, industry and competitive conditions and limit our flexibility in planning for, or reacting to, changes in our business and the industry;

Our ability to enter into any partnership, profit-sharing, royalty agreement or other similar agreements; or enter into management contracts or other similar arrangements may be impaired.

17. Our Promoters and Promoter Group exercise significant control and influence over the business affairs of our Company and their interests may conflict with those of the investors and other shareholders of our Company

As of the date of this Information Memorandum, the shareholding of Promoters and Promoter Group in our Company is 50.484%. Due to the majority of shareholding, our Promoters will have the ability to control and influence the business affairs of our Company including matters such as sale of all or substantially all of the assets of our Company, assumption of additional debt, sale of brands belonging to our Company, timing and distribution of dividends, election of officers and directors and change of control transactions and other matters. The interests of our Promoters may differ and conflict with those of the investors and other shareholders of our Company which may cause them to act in a manner that may not be in the best interests of the shareholders of our Company.

18. Our Promoters and directors are interested in our Company to the extent of their shareholding

As of the date of this Information Memorandum, the shareholding of our Promoters and directors in our Company is 50.484%, and 10.088% respectively. To the extent of their respective shareholding in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares; our Promoters and directors are interested.

19. **The company has availed unsecured loans from related parties which may be recalled by the lenders at any time**

Our company has availed certain unsecured loans, which is repayable on demand. In case, the lenders demand unsecured loan before maturity period, it may affect adversely our financial condition and results of operations.

20. **We have contingent liabilities, which have not been provided for crystallization of any of these contingent liabilities, may adversely affect our financial condition**

In the event any of the contingent liabilities materialize mentioned in our Financial Statements, our financial condition may be adversely affected to that extent.

21. **Some of our group companies have incurred losses in the last three financial years**

Some of our group companies have incurred losses during their last three financial years (as per their audited financial statements), as set forth in table below:

Loss-making Group Companies:

(Rs. In Lacs.)

S. No.	Name of Group Company	Profit / (Loss) after Tax		
		FY 2012	FY 2013	FY 2014
1.	J.C. Textile Pvt. Ltd.	6.68	0.04	(4.32)
2.	Kailash Industries Ltd.	(22.51)	3.03	2.19
3.	Vivekshil Dealers Pvt. Ltd	(360.59)	(14.46)	(296.57)
4.	CRG Trading & Finvest Pvt. Ltd	(12.45)	(5.77)	(0.75)
5.	Sunima Trading Pvt. Ltd	(0.32)	(0.33)	(0.56)
6.	Genus Prime Infra Limited	(5.08)	(5.39)	(4.70)
7.	Genus International Commodities Limited	(25.01)	43.64	(21.42)
8.	Hi-Print Electromack Pvt. Ltd.	0.86	2.25	(1.45)
9.	Virtuous Infra Limited	(5.66)	(1.11)	(1.33)
10.	Sansar Infrastructure Pvt. Ltd	0.02	0.04	(0.42)
11.	Star Vanijya Private Limited	0.01	0.01	(0.56)

22. **The statements contained in this Information memorandum are based on current management plans and estimates and may be subject to change. In addition, industry statistical and financial data contained in this Information memorandum may be incomplete or unreliable**

We have not independently verified data from industry publications and other sources contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the paper industry herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable and should not be unduly relied upon.

II. EXTERNAL RISK FACTORS

23. Competition in the Industry

Our Company operates in a competitive scenario comprising of Indian and multinational players resulting in a stiff competition from these players. Though our Company and its management believe that they are fully competent to compete in its respective industries, the same can have a significant impact on the future financial performance of our Company.

24. Changes in Government policies

Changes in Government policy, changes in interest rates, revision of duty structure, changes in EXIM policy, changes in tax laws, changes in environmental regulations and emission norms etc. may have an adverse impact on the financial performance of our Company and can lead to increased capital cost to meet the changed regulations. Due to the competitive nature of the market, the cost increases as a result of these changes may not be easily passed on to the customers, thus adversely impacting our profitability.

25. Political instability or changes in the government may delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which may impact our business, financial results and results of operations

The government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. A change in the government in future may result in a significant change in the government's policies that may adversely affect business and economic conditions in India and may also adversely affect our business, financial condition and results of operations.

26. Legal and Compliance Risk

Our Company is subject to extensive regulation by SEBI, Stock Exchanges, RBI and other market regulators in India. New laws/rules and changes in any law and application of current laws/rules could affect the manner of operations and profitability.

27. Terrorist attacks and other acts of violence

Terrorist attacks and other acts of violence or war may adversely affect Indian and worldwide financial markets. These acts may result in loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Increased volatility in the financial markets can have an adverse impact on the economies of India and other countries, including economic recession.

28. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business.

29. Depreciation of the Rupee against foreign currencies may have an adverse effect on our results of operations

While a substantial portion of our revenues is and will be denominated in Rupees, part of our working

capital s denominated in foreign currencies. We are also exposed to foreign exchange rate risk on the scrap papers imported used as raw materials for manufacturing Kraft papers at our plant While entire working capital loan denominated in foreign currency is hedged, import LCs are not hedged. To this extent we are exposed to currency risk and accordingly, any depreciation of the Rupee against these currencies will significantly increase the Rupee cost to us which will impact our profitability.

III. RISKS RELATING TO OUR INDUSTRY

30. The Indian Paper Industry is affected by a number of factors, which are beyond the control of our Company

A number of factors influence supply and demand for paper. These include, among others, production, overcapacity, general economic conditions, competitors' actions and local, State and Central Government policies. These in turn affect the prices and margins of our Company.

31. Slowdown/deceleration of the Indian economy

The level of general economic activity in India has a direct impact on demand for our Company's products. The level of economic activity is influenced by a number of factors, including national and international economic activity, political and regulatory policy, and climatic conditions such as monsoons and drought, prices of international crude oil, etc. If the pace of growth of the Indian economy slows or turns negative, the business, financial condition and future results of operations of our Company would be materially and adversely affected.

32. Increase in taxes and other levies imposed by the Central or State Governments on the acquisition of Capital goods/components, purchase of raw materials or finished goods may have an adverse effect on the profitability of our Company

Customs duty on raw material, consumables and machinery along with excise duty on finished goods with central sales tax, VAT and state entry tax and other levies affect our company. These taxes and levies affect the cost of production and sales price of our products and hence the demand for our products. Any increase in any of these taxes or levies or the imposition of new taxes or levies in the future may have an adverse impact on our Company's business and financial condition.

33. The Paper industry is subject to various environmental and other regulations. Any significant change in the regulations may result in additional cost and reduction in profitability

Our operations are subject to various environmental laws and regulations relating to environmental protection. The discharge of pollutants exceeding the permitted levels may cause damage which give rise to liabilities causing the state pollution control boards and third parties to initiate action. Stricter laws and regulations, or stricter interpretation of existing laws and regulations may impose new liabilities or require additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition or results of operation. Our failure to obtain required licenses or renew expired licenses or to otherwise comply with various regulatory requirements may have a material adverse effect on our financial conditions and results of operations.

IV. RISKS RELATING TO THE INVESTMENT IN OUR EQUITY SHARES

34. Our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop

The price of the Equity Shares may fluctuate as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian paper industry and changing perceptions in the market about investments in

the Indian paper industry, adverse media reports on us or the Indian paper industry, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations.

There has been no recent public market for the Equity Shares prior to the listing of the Equity Shares and an active trading market for the Equity Shares may not develop or be sustained after the listing of Equity Shares. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to the listing of Equity Shares.

35. Any future issuance of Equity Shares may dilute prospective investors' shareholding and sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

36. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

37. There may be restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time

Upon listing and trading of the Equity Shares, we may be subject to a daily circuit breaker imposed by all stock exchanges in India, which may not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker may be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges may not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

SECTION III – INTRODUCTION

GENERAL INFORMATION

Our Company (Corporate Identification Number U21098UP2012PLC048300) was incorporated on January 11, 2012 as a public limited company with the name "Genus Paper & Boards Limited". Our Company received certificate of commencement of business on January 13, 2012. The registered office of our company is situated at Village Aghwanpur, Kanth Road, Moradabad, Uttar Pradesh-244001. Pursuant to the Scheme of Arrangement between Genus Paper Products Limited (GPPL), Genus Power Infrastructures Limited (GPIL), our Company and their respective shareholders and creditors, which was approved by the Hon'ble High Court of Allahabad, vide order dated October 29, 2013 the 'Non Power Infrastructure Undertaking/Business' stands demerged from GPIL and has been transferred to and vested in our Company.

Address of the registered office & works:

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

Phone: 0591-2511171 **Fax:** 0591-2511242

Corporate Identification Number (CIN): U21098UP2012PLC048300

International Securities Identification Number (ISIN) **for Equity Shares of our company is** INE949P01018

Address of the corporate office:

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

Phone: 011 47114800 **Fax:** 011 47114833

Address of registrar of companies:

Registrar of Companies, 10/499-B, Allenganj, Khalasi Line, Kanpur – 208 002, Uttar Pradesh

Board of directors:

The Board of Directors as on the date of filing of the Information Memorandum:-

S. No.	Name of Directors
1	Shri Ishwar Chand Agarwal
2	Shri Kailash Chandra Agarwal
3	Shri Himanshu Agarwal
4	Shri Bhairon Singh Solanki
5	Shri Rameshwar Pareek
6	Shri Udit Agarwal

For further details of the Board of Directors of our Company, please refer to the section titled "Our Management" on Page 76 of this Information Memorandum.

Authority for listing

The Hon'ble High Court of Allahabad, vide its order dated October 29, 2013 has approved the Scheme of Arrangement. For more details relating to the Composite Scheme, please refer to the Section titled "Scheme of Arrangement on Page 58 of this Information Memorandum.

In accordance with the Scheme, the Equity Shares of our Company to be issued pursuant to the Scheme shall be listed and admitted to trading on BSE and the NSE. Such listing and admission for trading is not automatic and will be subject to fulfillment of listing criteria of BSE and the NSE by our Company and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of application by our Company seeking listing. Our Company has received in-principle approvals from BSE and NSE in relation to listing of equity shares issued pursuant to the Composite Scheme vide their letters dated March 5, 2012 & November 21, 2014 and February 13, 2012 & December 03, 2014, respectively.

The Company has received exemption from strict enforcement of the requirement of Rule 19(2) (b) of the SCRR for the purpose of listing of shares of our Company from SEBI vide its letter no CFD/DIL/BNS/SD/1070/2015 dated January 08, 2015.

Eligibility criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapters III and IV of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 are not applicable. However, SEBI has vide its circular SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009, relaxed the applicability of provisions of Regulation 19(2)(b) of the Securities Contract (Regulations) Rules, 1957. The Company has submitted this Information Memorandum to BSE and NSE. The Information Memorandum would also be made available on the website of BSE, www.bseindia.com and NSE, www.nseindia.com and the Company's website viz. www.genuspaper.com.

The Company has published an advertisement in accordance with the SEBI circular SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009 in the Business Standard (English national daily) and Business Standard (Hindi national daily and a regional language daily newspaper) on Thursday, January 22, 2015. The advertisement has a specific reference to the availability of the Information Memorandum on our Company's website.

Prohibition by SEBI

Our Company, Directors, Promoters, other companies promoted by the Promoters and companies with which our Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

General disclaimer from our Company

Our Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in relation to this Scheme in terms of SEBI Circular SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009 or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer with respect to jurisdiction

This Information Memorandum has been prepared under the provisions of Indian laws and the applicable rules and regulations there under. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Moradabad, U.P., India only.

Disclaimer of BSE

As required, a copy of the Draft Information Memorandum was submitted to BSE.

The BSE had vide its letter dated March 05, 2012, given its 'No-Objection' to the Scheme of Arrangement under clause 24(f) of the Listing Agreement and by virtue of that No-Objection, BSE's name in this Information Memorandum can be used as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- Take any responsibility for the financial or other soundness of this Company; and
- It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer- NSE

As required, a copy of the Draft Information Memorandum was submitted to NSE.

The NSE had vide its letter dated and February 13, 2012 given its 'No-Objection' to the Scheme of Arrangement under clause 24(f) of the Listing Agreement and by virtue of that No-objection, NSE's name in this Information Memorandum can be used as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The NSE has scrutinized this Information Memorandum for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the Information Memorandum has been cleared or approved by the NSE nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every person who acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

This Information Memorandum has been filed with BSE and NSE. All the legal requirements applicable till the date of filing the Information Memorandum with the Stock Exchanges have been complied with.

Listing

Application will be made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE.

Designated stock exchange

The designated stock exchange is BSE Limited.

Demat credit

Our Company has executed Tripartite Agreements dated January 8, 2014 and January 3, 2014 with the Registrar and the Depositories i.e. NSDL and CDSL, respectively for admitting its securities in demat form and the Equity Shares of our Company have been allotted ISIN INE949P01018.

Expert opinions, if any

Save as stated elsewhere in this Information Memorandum, the Company has not obtained any expert opinions.

Dispatch of share certificates

Upon allotment of Equity Shares to eligible shareholders pursuant to the Scheme on January 17, 2014, our Company dispatched on February 07, 2014 the share certificates to those shareholders who were holding shares in GPIL in physical form, as on the Record Date i.e. January 11, 2014. In respect of those shareholders who were holding shares in GPIL in demat form, electronic credit of shares was done by NSDL and CDSL on February 06, 2014 and February 05, 2014, respectively.

Previous rights and public issues

The Company has never made any public issue, rights issue of equity shares since incorporation.

Commission and brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the same management

There are no companies under the same management within the meaning of erstwhile Section 370 (1B) of the Act, 1956 other than included in this Information Memorandum.

Promise vis-a-vis Performance

Not applicable, since this is the first time the Company is getting listed on the Stock Exchanges.

Outstanding debenture or bonds and redeemable preference shares and other instruments issued by our Company:

Nil

Stock market data for equity shares of the Company

Equity shares of the Company are not listed on any stock exchange. The Company is seeking approval for listing of its shares through this Information Memorandum.

Details of change, if any, in the auditors of our Company since incorporation and reasons, thereof:

Nil

BANKERS TO THE COMPANY:

STATE BANK OF INDIA Specialized Commercial Branch Civil lines, Moradabad - 244 001 Tel: 91 591 2476206 Fax: 91 591 2476208 Email: sbi.04113@sbi.co.in	PUNJAB NATIONAL BANK LIMITED International Banking Branch, Delhi Road, Moradabad - 244 001 Tel: 91 591 2487023 Fax: 91 591 2487026 Email: bo3942@pnb.co.in
HDFC Bank Limited Civil Lines, Moradabad-244001 Tel: 9359739945 Email: mohammadjaved.khan@hdfcbank.com	

Mechanism evolved for redressal of investor grievances in Genus Paper & Boards Limited

The Company has appointed M/s Niche Technologies Private Limited as its Registrar and Transfer Agent for handling the share registry work relating to shares held both in physical and electronic form at a single point. As per the Memorandum of Understanding with the Registrar, it shall strive to redress the investor complaints within fifteen days of its receipt. The Company has also constituted an Investors' Grievance Committee to deal with the grievances of investors, related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, transfer, transmission, transposition, nomination, dividend, change of name/address/signature, registration of mandate/power of attorney, replacement/split/consolidation of share certificate, demat/remat of shares, issue of duplicate certificates etc.

The Company has also appointed Mr. Ankit Agarwal as the Compliance Officer and he may be contacted in case of any problems at the following address:

GENUS PAPER & BOARDS LIMITED

Village Aghwanpur,
Kanth Road, Moradabad-244001
Phone: 0591 2511171
Fax: 0591 2511242
Email: cs@genuspaper.com,
Website: www.genuspaper.com

STATUTORY AUDITORS: PRADEEP HARI & CO. Chartered Accountants Opp. Reserve Police Lines, 10, Civil Lines Moradabad – 244 001 Telephone: 0591 3295849 Fax: 0591 2436415 Email: pradeepfca@gmail.com Contact Person: Mr. Pradeep Kapoor	REGISTRAR AND TRANSFER AGENT: NICHE TECHNOLOGIES PVT. LTD. D-511, Bagree Market, 71, B. R. B. Basu Road, Kolkata-700 001 Telephone: 033 22357270/7271 Fax: 033 22156823 Email: nichetechpl@nichetechpl.com Website: www.nichetechpl.com Contact Person: Mr. S. Abbas SEBI Registration No: INR 000003290 (Category-I)
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CAPITAL STRUCTURE

SHARE CAPITAL

A. Share Capital of our Company Pre-Scheme of Arrangement

Particulars	Aggregate Value in Rs.
Authorized Share Capital	
10,00,000 Equity Shares of Re.1/- each	10,00,000
Total	10,00,000
Issued, Subscribed and Paid-up Capital	
5,00,000 Equity Shares of Re.1/- each	5,00,000
Total	5,00,000

B. Share Capital of our Company Post-Scheme of Arrangement

Particulars	Aggregate Value in Rs.
Authorized Share Capital	
26,00,00,000 Equity Shares of Re.1/- each	26,00,00,000
Total	26,00,00,000
Issued, Subscribed and Paid-up Capital	
25,71,25,940 Equity Shares of Re.1/- each	25,71,25,940
Total	25,71,25,940

Details of increase in the Authorized Share Capital since incorporation

Sr. No.	Particulars	Date of the shareholders resolution/High Court Order
1.	The authorized share capital of Rs.10,00,000/- comprising of 10,00,000 Equity Shares of Re.1/- each.	Incorporation
2.	The initial authorized share capital of Rs.10,00,000 comprising of 10,00,000 Equity Shares of Re.1/- each was increased to Rs.26,00,00,000/- divided into 26,00,00,000 Equity Shares of Re.1/- each.	October 29, 2013

Notes to the Capital Structure

1. Share Capital History

(a) Equity share capital history of our Company

Date of Allotment of the Equity Shares	No. Of Equity Shares allotted	Face Value	Issue Price (Rs.)	Issued Equity Capital (Rs.)	Nature of Consideration	Nature of Allotment / Issue	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs.)	Cumulative Equity Share Premium (Rs.)	% of post Scheme paid up capital
31.03.2012	5,00,000	1	1	5,00,000	Cash	Initial Allotment based on subscription to Memorandum of Association ¹	5,00,000	5,00,000	Nil	0.19
17.01.2014	25,66,25,940	1	1	25,66,25,940	Non Cash (Pursuant to the Scheme)	Allotment pursuant to the Scheme of Arrangement as sanctioned by the Hon'ble High Court of Allahabad ²	25,71,25,940	25,71,25,940	Nil	99.81

List of Allottees:

1. Initial subscription to MoA by M/s Genus Power Infrastructures Limited (4,99,940 Equity Shares) and Mr. Ishwar Chand Agarwal (10 Equity Shares), Mr. Kailash Chandra Agarwal (10 Equity Shares), Mr. Himanshu Agarwal (10 Equity Shares), Mrs. Simple Agarwal (10 Equity Shares), Mr. Amrit Lal Todi (10 Equity Shares), Mr. Amit Agarwal (10 Equity Shares), as nominees of Genus Power Infrastructures Limited.
2. As per clause 12.1 of the Scheme of Arrangement, our Company has issued and allotted 25,66,25,940 Equity Shares to the members of GPIL as on Record Date.

Shareholding pattern before and after the Scheme:

2. The shareholding pattern of our Company prior to the allotment of shares under the Scheme is as under:

Sr. No.	Name of Shareholders	Number of equity shares held
1.	Genus Power Infrastructures Limited	4,99,940
2.	Mr. Ishwar Chand Agarwal	10*
3.	Mr. Kailash Chandra Agarwal	10*
4.	Mr. Himanshu Agarwal	10*
5.	Mrs. Simple Agarwal	10*
6.	Mr. Amrit Lal Todi	10*
7.	Mr. Amit Agarwal	10*
	Total	5,00,000

* Holding as Nominees of Genus Power Infrastructures Limited.

3. (l)(a) The shareholding pattern of our Company post allotment of shares under the Scheme is as under:

Category Code	Category of Shareholders	No. of Shareholders	Total No. of Shares	No. of Shares in DEMAT	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					% of (A+B)	% of (A+B+C)	No. of Pledged Shr. (VII)	% of (IX)=(VII)/(IV)*100
I	II	III	IV	V	VI	VII	VIII	IX
(A)	Total Shareholding of Promoter & Promoter Group							
'(1)	Indian							
(a)	Individual/HUF	38	69195587	69195527	26.911	26.911	1100000	1.59
(b)	Central Govt. / State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	10	60611167	60111227	23.573	23.573	Nil	Nil
(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)	48	129806754	129306754	50.484	50.484	1100000	0.847
'(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)	Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total of (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Shareholding of Promoter & Promoter Group (A) = (A)(1)+(A)(2)	48	129806754	129306754	50.484	50.484	1100000	0.847
(B)	Public Shareholding							
'(1)	Institutions							
(a)	Mutual Funds / UTI	7	122945	23945	0.048	0.048		
(b)	Fin. Institutions / Banks	2	6000	Nil	0.002	0.002		
(c)	Central Govt. / State Govt.	Nil	Nil	Nil	Nil	Nil		
(d)	Venture Capital	Nil	Nil	Nil	Nil	Nil		
(e)	Insurance Company	Nil	Nil	Nil	Nil	Nil		
(f)	Foreign Inst. Investors	2	93110	93110	0.036	0.036		
(g)	Foreign VC Investors	1	43000	Nil	0.017	0.017		
(h)	QFI-Corporate	Nil	Nil	Nil	Nil	Nil		
(i)	Any Other	Nil	Nil	Nil	Nil	Nil	NA	NA
	Sub-Total (B)(1)	12	265055	117055	0.103	0.103	NA	NA
'(2)	Non-Institutions							
(a)	Bodies Corporate	314	21935545	21905545	8.531	8.531	NA	NA
(b)	Individuals							
	i. Individual Shareholders Holding Nominal Share Upto Rs. 1 Lakh	12719	24655443	22019893	9.589	9.589	NA	NA
	ii. Individual Shareholders Holding Nominal Share greater than Rs. 1 Lakh	31	69711889	69711889	27.112	27.112	NA	NA
(a)	QFI-Individual	Nil	Nil	Nil	Nil	Nil	NA	NA
(d)	Any Other							
	NRI/OCBs	405	9839935	8713935	3.827	3.827	NA	NA
	Clearing Member/Clearing Corp.	110	911319	911319	0.354	0.354	NA	NA
	Sub-Total (B)(2)	13579	127054131	123262581	49.413	49.413	NA	NA
	Total Public Shareholding (B) = (B)(1) + (B)(2)	13591	127319186	123379636	49.516	49.516	NA	NA
	TOTAL (A)+(B)	13639	257125940	252686390	100	100	1100000	0.428
(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)	13639	257125940	252686390	100	100	1100000	0.428

(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter & Promoter Group"

Sr. No.	Name of the Shareholder	Details of Shares held		Encumbered Shares			Details of Warrants		Details of Convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of Shares held	As a % of grand total (A)+(B)+(C)	Number	% of (III) (i.e. = (V)/(III) * 100)	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % of total no. of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
A.	Promoters										
1	Ishwar Chand Agarwal	10329457	4.017	0	0	0	0	0	0	0	4.017
2	Kailash Chandra Agarwal	13298366	5.172	0	0	0	0	0	0	0	5.172
3	Himanshu Agarwal	2301846	0.895	0	0	0	0	0	0	0	0.895
B.	Promoters Group										
4	CRG Trading And Finvest (P) Ltd.	3750210	1.459	0	0	0	0	0	0	0	1.459
5	Genus Innovation Limited	4769600	1.855	0	0	0	0	0	0	0	1.855
6	Genus International Commodities	4205000	1.635	0	0	0	0	0	0	0	1.635
7	Genus Power Infrastructures Limited	499940	0.194	0	0	0	0	0	0	0	0.194
8	Hi - Print Electromack Private Limited	5574300	2.168	0	0	0	0	0	0	0	2.168
9	I C Finance P Ltd	112800	0.044	0	0	0	0	0	0	0	0.044
10	Kailash Coal And Coke Company	7926000	3.083	0	0	0	0	0	0	0	3.083
11	Kailash Industries Limited	9961560	3.874	0	0	0	0	0	0	0	3.874
12	Kailash Vidyut And Ispat Ltd	75000	0.029	0	0	0	0	0	0	0	0.029
13	Vivekshil Dealers Pvt. Ltd.	23736757	9.232	0	0	0	0	0	0	0	9.232
14	Aditya Todi	15000	0.006	0	0	0	0	0	0	0	0.006
15	Amit Agarwal	1316086	0.512	0	0	0	0	0	0	0	0.512
16	Amit Agarwal	146150	0.057	0	0	0	0	0	0	0	0.057
17	Amrit Lal Todi	3206010	1.247	0	0	0	0	0	0	0	1.247
18	Amrit Lal Todi	1704500	0.663	0	0	0	0	0	0	0	0.663
19	Anand Todi	2991870	1.164	0	0	0	0	0	0	0	1.164
20	Anand Todi	398000	0.155	0	0	0	0	0	0	0	0.155
21	Anju Agarwal	152740	0.059	0	0	0	0	0	0	0	0.059
22	Ashutosh Todi	114000	0.044	0	0	0	0	0	0	0	0.044
23	Bairang Lal Todi	1181680	0.460	0	0	0	0	0	0	0	0.460
24	Baldev Kumar Agarwal	1520000	0.591	110000	72.368	0.42	0	0	0	0	0.591
25	Baldev Kumar Agarwal	508000	0.198	0	0	0	0	0	0	0	0.198
26	Banwari Lal Todi	3660160	1.423	0	0	0	0	0	0	0	1.423
27	Banwari Lal Todi	309280	0.120	0	0	0	0	0	0	0	0.120
28	Ishwar Chand Agarwal	402920	0.157	0	0	0	0	0	0	0	0.157
29	Jitendra Agarwal	2194809	0.854	0	0	0	0	0	0	0	0.854
30	Kailash Chand Agarwal HUF	1245600	0.484	0	0	0	0	0	0	0	0.484
31	Manju Devi Todi	374040	0.145	0	0	0	0	0	0	0	0.145
32	Monisha Agarwal	408610	0.159	0	0	0	0	0	0	0	0.159
33	Narayan Prasad Todi	1279000	0.497	0	0	0	0	0	0	0	0.497
34	Narayan Prasad Todi	1203600	0.468	0	0	0	0	0	0	0	0.468
35	Nishu Todi	436000	0.170	0	0	0	0	0	0	0	0.170
36	Parul Agarwal	807000	0.314	0	0	0	0	0	0	0	0.314
37	Phoos Raj Todi	759400	0.295	0	0	0	0	0	0	0	0.295
38	Phoos Raj Todi	668000	0.260	0	0	0	0	0	0	0	0.260
39	Rajendra Agarwal	2467133	0.960	0	0	0	0	0	0	0	0.960
40	Rajendra Kumar Agarwal	432000	0.168	0	0	0	0	0	0	0	0.168
41	Rakesh Agarwal	4206300	1.636	0	0	0	0	0	0	0	1.636
42	Rubal Todi	904400	0.352	0	0	0	0	0	0	0	0.352
43	Seema Todi	820600	0.319	0	0	0	0	0	0	0	0.319
44	Shanti Devi Agarwal	1610000	0.626	0	0	0	0	0	0	0	0.626
45	Sharda Todi	1383000	0.538	0	0	0	0	0	0	0	0.538
46	Simple Agarwal	751030	0.292	0	0	0	0	0	0	0	0.292
47	Vishnu Todi	3359000	1.306	0	0	0	0	0	0	0	1.306
48	Vishnu Todi	330000	0.128	0	0	0	0	0	0	0	0.128
	TOTAL	129806754	50.484	110000	0.847	0.42	Nil	Nil	Nil	Nil	50.484

(l)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares of the Company

Srl No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above)	Details of Warrants		Details of Convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	Santosh Industries Limited	2876361	1.119	0	0	0	0	1.119
2	Lata Bhanshali	4907230	1.908	0	0	0	0	1.908
3	Meena A Kothari	4200000	1.633	0	0	0	0	1.633
4	Mondip Kumar Tamuly	47543850	18.490	0	0	0	0	18.490
5	Rajesh Bothra	6150600	2.392	0	0	0	0	2.392
	TOTAL	65678041	25.543	Nil	Nil	Nil	Nil	25.543

(l)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category “Public” and holding more than 5% of the total number of shares of the company

Srl No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares held	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above)	Details of Warrants		Details of Convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	MONDIP KUMAR TAMULY*	47543850	18.49	0	0	0	0	18.49
	TOTAL	47543850	18.49	Nil	Nil	Nil	Nil	18.49

*Mondip Kumar Tamuly is holding the shares as a Trustee of Genus Shareholders' Trust formed pursuant to the Scheme of Arrangement.

(l)(d) Statement showing details of locked-in shares

Srl No.	Name of the Shareholder	Category of Shareholders	Number of Locked-in Shares	% of total number of shares (i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above)
		(Promoter/Non-Promoter)		
Nil	Nil	Nil	Nil	Nil

(II)(a) Statement Showing Details Of Depository Receipts (DRs)

Srl. No.	Type of Outstanding DR (ADRs, GDRs, SDRs, etc)	Number of Outstanding DRs	Number of Shares underlying outstanding DRs	Shares underlying Outstanding DRs as a Percentage of total number of shares (ie. Grand total(A)+(B)+(C) indicated in Statement at para (I)(a) above)
1	Nil	Nil	Nil	Nil

(II)(b) Statement Showing Details Of Depository Receipts (DRs), Where Underlying Shares Held By 'PROMOTER / PROMOTER GROUP' are in excess of 1% of the total no. of shares

Srl. No.	Name of the DR Holder	Type of outstanding DR (ADRs,GDRs SDRs,etc.)	Number of Shares Underlying outstanding DRs	Shares underlying Outstanding DRs as Percentage of total number of shares (ie. Grand total(A)+(B)+(C) indicated in statement at para (I)(a) above
1	Nil	Nil	Nil	Nil

(III)(a) Top ten shareholders 10 days prior to the date of this Information Memorandum

Sr. No.	Name of Shareholder	Number of equity shares held	% of total capital
1.	Mondip Kumar Tamuly*	47543850	18.490
2.	Vivekshil Dealers Pvt. Ltd.	23736757	9.232
3.	Kailash Chandra Agarwal	13298366	5.172
4.	Ishwar Chand Agarwal	10329457	4.017
5.	Kailash Coal And Coke Company Limited	7926000	3.083
6.	Kailash Industries Limited	9961560	3.874
7.	Rajesh Bothra	6150600	2.392
8.	Hi - Print Electromack Private Limited	5574300	2.168
9.	Lata Bhanshali	4907230	1.908
10.	Genus Innovation Limited	4769600	1.855
	Total	134197720	52.191

*Mondip Kumar Tamuly is the Trustee of Genus Shareholders' Trust formed pursuant to the Scheme of Arrangement.

(III)(b) Top ten shareholders of the Company on the date of this Information Memorandum

Sr. No.	Name of Shareholder	Number of equity shares held	% of total capital
1.	Mondip Kumar Tamuly*	47543850	18.490
2.	Vivekshil Dealers Pvt. Ltd.	23736757	9.232
3.	Kailash Chandra Agarwal	13298366	5.172
4.	Ishwar Chand Agarwal	10329457	4.017
5.	Kailash Coal And Coke Company Limited	7926000	3.083
6.	Kailash Industries Limited	9961560	3.874
7.	Rajesh Bothra	6150600	2.392
8.	Hi - Print Electromack Private Limited	5574300	2.168
9.	Lata Bhanshali	4907230	1.908
10.	Genus Innovation Limited	4769600	1.855
	Total	134197720	52.191

*Mondip Kumar Tamuly is the Trustee of Genus Shareholders' Trust formed pursuant to the Scheme of Arrangement.

4. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.
5. There shall be only one denomination of equity shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms, specified by SEBI from time to time.
6. The Promoters of our Company, their relatives and associates and the directors of our Company have not purchased or sold or financed, directly or indirectly, any equity shares of our Company from the date of approval of the Scheme by the Hon'ble High Court of Allahabad till the date of submission of this Information Memorandum.
7. There was no further issue of capital by our Company whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the Hon'ble High Court till listing of the Equity Shares allotted as per the Scheme.
8. Details of Lock-in of shares of Promoter and Promoter group (Pre Scheme): NIL
9. Details of Lock-in of shares of Promoter and Promoter group (Post Scheme): NIL
10. None of the Directors or Key Management Personnel holds Equity Shares in the Company except as stated in the section titled "Our Management" on Page 76 of this Information Memorandum.
11. Equity Shares being issued in the Scheme are fully paid up at the time of allotment.
12. Our Company has 13,639 Equity Shareholders as on date of filing of this Information Memorandum.
13. The Equity Shares held by the Promoter and Promoter Group are not subject to any pledge except the following:

Out of 15,20,000 equity shares held by Baldev Kumar Agarwal (HUF), 11,00,000 equity shares representing 0.428% of the total paid up share capital of our Company are pledged pursuant to pledged shares held by Baldev Kumar Agarwal (HUF) in GPIL.

As per sanction letter of the Bankers of the Company namely SBI and PNB, the Company may be required to create pledge in favor of the said bankers upon some promoters' shares held in the Company.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Genus Paper & Boards Limited
Village Aghwanpur, Kanth Road,
Moradabad-244001

Dear Sirs,

Statement of Possible Tax Benefits available to Genus Paper & Boards Limited ('the Company') and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company under the Income Tax Act, 1961 (as amended by Finance Act, 2013) presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the Conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- i. the Company or its shareholders will continue to obtain these benefits in future; or
- ii. the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

For **Pradeep Hari & Co.**
Chartered Accountants

Pradeep Kapoor
Proprietor
Membership No.: 074491

Place: Moradabad
Date: March 7, 2014

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO GENUS PAPER & BOARDS LIMITED ('the COMPANY') AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (HEREINAFTER REFERRED TO AS THE IT ACT):

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the tax laws. Hence, the ability of the Company or its shareholders to avail the tax benefits is dependent upon fulfilling such conditions as may be prescribed under the relevant sections of the IT Act.

I. BENEFITS AVAILABLE TO THE COMPANY

1. Subject to compliance with certain conditions laid down in section 32 of the IT Act, the Company will be entitled to a deduction for depreciation:
 - a) In respect of buildings, machinery, plant or furniture being tangible assets (at the rates prescribed under Income Tax Rules, 1962 ('the Rules');
 - b) In respect of intangible assets being in the nature of knowhow, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired after 31st day of March, 1998 (at the rates prescribed under the Rules);
 - c) In respect of new plant or machinery which has been acquired and installed after 31st March, 2005 by a tax payer engaged in the business of manufacture or production of any article or thing, additional depreciation @ 20% of the actual cost of such new plant or machinery will be allowed as deduction.
2. Subject to compliance with certain conditions laid down in section 35(1)(iv) of the IT Act, the Company is entitled to claim as deduction the whole of capital expenditure, other than the expenditure incurred on the acquisition of any land, incurred on scientific research related to the business of the Company.
3. As per section 35DD, the Company is eligible for the expenditure incurred wholly and exclusively for the purpose of amalgamation and demerger of an undertaking an amount equal to one-fifth of such expenditure for each of the successive five previous years.
4. As per section 35DDA, the Company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement of an amount equal to 1/5th of such expenses every year for a period of five years subject to conditions specified in that section.
5. The Company is eligible for amortization of preliminary expenses being the expenditure on public issue of shares under section 35D of the IT Act, subject to the fulfillment of the prescribed conditions and limits specified in the section. The said deduction is an amount equal to one-fifth of the said expenditure for each of the five successive previous years beginning from the year in which the business commences.
6. As per Section 80G, the Company will be eligible for deduction of an amount as specified in the Section in respect of donations to certain funds, charitable institutions, etc.
7. As per Section 80GGB, the Company will be eligible for deduction of any sum contributed by it to any political party or an electoral trust.
8. In case of loss under the head 'Profit and Gains from Business or Profession', it can be set-off against other income and the excess loss after set-off can be carried forward for set-off - against business income of the next eight Assessment Years.
9. As per the provisions of Section 72A, the Company is entitled to carry forward and set off of accumulated loss and unabsorbed depreciation allowance under amalgamation or demerger subject to fulfillment of certain conditions.

10. Minimum Alternate Tax ('MAT') is the tax payable by a company under section 115JB of the IT Act. MAT is payable by a company when the income-tax payable on the total income as computed under the IT Act is less than 18.5% (plus applicable Surcharge + Education and Secondary & Higher Education cess) of its book profit computed as per the method specified under section 115JB of the Act. MAT credit arises in the year in which the Company is required to pay tax under section 115JB of the IT Act (in case the same is higher than the tax under normal provisions of the IT Act). MAT credit is the difference between tax computed under section 115JB of the IT Act and the tax computed as per the normal provisions of the IT Act. MAT credit can be carried forward for 10 years immediately succeeding the assessment year in which the relevant MAT credit arises. The MAT credit can be utilized in the year in which the tax payable under the normal provisions of the IT Act is higher than the tax payable under section 115JB of the IT Act. The utilization of the same is available to the extent of the difference between the tax payable under the normal provisions of the IT Act and the tax payable under section 115JB of the IT Act.
11. As per section 71 read with section 74 of the IT Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
12. As per Section 71 read with Section 74, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, is allowed to be carried forward and set-off against subsequent years long term capital gains for subsequent eight assessment years.

II. BENEFITS AVAILABLE TO THE COMPANY AND PROSPECTIVE RESIDENT SHAREHOLDERS OTHER THAN DOMESTIC COMPANIES

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company/Individual), if the same is subject to dividend distribution tax as referred to in section 115-O of the IT Act, as per the provisions of section 10(34) of the IT Act.
2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer it would result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale/transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of securities) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

INCOME FROM CAPITAL GAINS

- 2.1 Section 48 of the IT Act, categorizes capital assets into two categories viz. Long Term Capital Assets and Short Term Capital Assets. If securities (such as shares, units etc) are held for a period of more than 12 months it is termed as a long term capital asset, otherwise as a short term capital asset. Any profit or loss arising on account of sale/transfer of such long term capital assets are termed as long term capital gains / loss and profit or loss arising on account of sale/transfer of short term capital assets is considered as short term capital gains / loss.
- 2.2 Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, the second proviso to section 48 of the IT Act, in respect of long term capital gains

arising from transfer of shares of Indian Company, offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed annually.

- 2.3 Section 10(38) of the IT Act, exempts the long term capital gains arising on sale of equity shares in the Company where the sale transaction has been entered on a recognized stock exchange of India and has been liable to securities transaction tax. However, the income by way of long-term capital gain of the company is taken into account in computing the book profit and income tax payable under section 115JB of the IT Act.
- 2.4 The provisions of section 112 of the IT Act, permit taxing long term capital gains [which are not exempt under Section 10(38) of the IT Act] arising on transfer of shares in the Company at a rate of 20 percent (plus applicable surcharge and education cess) after considering indexation benefit. However, the share holder may opt for the tax on long term gains computed at the rate of 10 percent (plus applicable surcharge and education cess), if the tax on long term capital gains resulting on transfer of listed securities calculated at the rate of 20 percent (after indexation benefit) exceeds the tax on long term gains computed at the rate of 10 percent without considering indexation benefit.
- 2.5 The provisions of section 111A of the IT Act, prescribes for taxing the short-term capital gains arising from sale of equity shares in a Company at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
- 2.6 Provisions of section 54EC of the IT Act exempts long-term capital gains [which are not exempt under section 10(38) of the IT Act] from being taxed to the extent such capital gains are invested in long term specified assets within a period of 6 months after the date of such transfer (presently, bonds issued by the National Highways Authority of India or the Rural Electrification Corporation Limited have been specified). Where only a part of the capital gains is so invested, the exemption is proportionately available. However, the investment in the specified assets is limited to Rs 5 million. The minimum holding period in the prescribed investment to remain eligible for the exemption is 3 years.
- 2.7 Subject to the conditions specified under the provisions of section 54F of the IT Act, long- term capital gains [which are not exempt from tax under section 10(38) of the IT Act] arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property, within a period of 3 years after the date of such transfer.
- 2.8 In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.10 percent of the value payable by both the buyer and the seller. Further, the non delivery based sale transactions are liable to tax @ 0.025 percent of the value payable by the seller.
3. Under section 36(1)(xv) of the IT. Act, the STT paid in respect of taxable securities transactions entered into in the course of business is allowable as deduction if income is computed under the head 'Profits or Gains of Business or Profession'.

III. BENEFITS AVAILABLE TO CORPORATE RESIDENT SHAREHOLDERS (DOMESTIC COMPANIES)

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company/Individual), if the same is subject to dividend distribution tax as referred to in section 115-0 of the IT Act, as per the provisions of section 10(34) of the IT Act.
2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer it would result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale /transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of securities) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

INCOME FROM CAPITAL GAINS

- 2.1 Section 48 of the IT Act, categorizes capital assets into two categories viz. Long Term Capital Assets and Short Term Capital Assets. If securities (such as shares, units etc) are held for a period of more than 12 months it is termed as a long term capital asset, otherwise as a short term capital asset. Any profit or loss arising on account of sale/transfer of such long term capital assets are termed as long term capital gains / loss and profit or loss arising on account of sale/transfer of short term capital assets is considered as short term capital gains / loss.
- 2.2 Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, the second proviso to section 48 of the IT Act, in respect of long term capital gains arising from transfer of shares of Indian Company, offers a benefit by permitting substitution of cost of acquisition /improvement with the indexed cost of acquisition /improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed annually.
- 2.3 Section 10(38) of the IT Act, exempt the long term capital gains arising on sale of equity shares in the Company where the sale transaction has been entered into on a recognized stock exchange of India and has been liable to securities transaction tax, However, the income by way of long-term capital gain of the company is taken into account in computing the book profit and income tax payable under section 115JB of the IT Act.
- 2.4 The provisions of section 112 of the IT Act, permit taxing long term capital gains [which are not exempt under Section 10(38) of the IT Act] arising on transfer of shares in the Company at a rate of 20 percent (plus applicable surcharge and education cess) after considering indexation benefit. However, the share holder may opt for the tax on long term gains computed at the rate of 10 percent (plus applicable surcharge and education cess), if the tax on long term capital gains resulting on transfer of listed securities calculated at the rate of 20 percent (after indexation benefit) exceeds the tax on long term gains computed at the rate of 10 percent without considering indexation benefit.
- 2.5 The provisions of section 111A of the IT Act, prescribe for taxing the short-term capital gains arising from sale of equity share in a Company at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
- 2.6 Provisions of section 54EC of the IT Act exempts long-term capital gains (which are not exempt under section 10(38) of the IT Act) from being taxed to the extent such capital gains are invested in long term specified assets within a period of 6 months after the date of such transfer (presently, bonds issued by the

National Highways Authority of India or the Rural Electrification Corporation Limited have been specified). Where only a part of the capital gains is so invested, the exemption is proportionately available. However, the investment in specified asset is limited to Rs 5 million. The minimum holding period in the prescribed investments to remain eligible for the exemption is 3 years.

- 2.7 In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.10 percent of the value payable by both the buyer and the seller. Further, the non delivery based sale transactions are liable to tax @ 0.025 percent of the value payable by the seller.

IV. BENEFITS AVAILABLE TO MUTUAL FUNDS

1. Provisions of section 10(23D) of the IT Act exempt the Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, from income tax on their income.

V. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS')

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company /Individual), if the same is subject to dividend distribution tax as referred to in section 115-0 of the IT Act, as per the provisions of section 10(34) of the IT Act.
2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer, it would result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale/transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of units) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

INCOME FROM CAPITAL GAINS

- 2.1 Provisions of section 115AD of the IT Act, provides for taxing income of FIIs arising from securities [other than income by way of dividends referred to in section 115(0) of the IT Act] at concessional rates, as follows:

Nature of income	Rate of tax (%)
Income in respect of securities	20
(Other than units referred to in section 115AB of the Act)	
Long Term capital gains	10
Short term capital gains (Other than short term capital gain referred to in section 111A of the Act)	30

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under section 48 of the IT Act are not available to the FIIs.

- 2.2 Provisions of section 111A of the IT Act, prescribes for taxing the short-term capital gains arising from sale of equity share in the Company at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
- 2.3 Provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act, as per section 90(2) of the Act; to the extent they are more beneficial to the FII.
- 2.4 Provisions of section 10(38) of the IT Act, exempt from tax the long term capital gains arising on sale of equity shares in the Company where the sale transaction has been entered on a recognized stock exchange of India and is liable to securities transaction tax.
- 2.5 Provisions of section 54EC of the IT Act exempts long-term capital gains [which are not exempt under section 10(38) of the IT Act] from being taxed to the extent such capital gains are invested in long term specified assets within a period of 6 months after the date of the transfer (presently, bonds issued by the National Highways Authority of India or the Rural Electrification Corporation Limited have been specified). Where only a part of the capital gains is so invested, the exemption is proportionately available. However, the investment in specified asset is limited to Rs 5 million. The minimum holding period prescribed to remain eligible for the exemption is 3 years.
- 2.6 In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.125 percent of the value payable by both buyer and seller (tax rate of 0.1 % is made applicable with effect from 01.07.2012). (The non-delivery based sale transactions are liable to tax @ 0.025 percent of the value payable by the seller).

VI. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/FUNDS

1. Provisions of section 10(23FB) of the IT Act, exempts any income of Venture Capital companies/Funds (set up to raise funds for investment in venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, subject to conditions specified therein.

VII. BENEFITS AVAILABLE TO NON-RESIDENTS / NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIS AND FOREIGN VENTURE CAPITAL INVESTORS)

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company/Individual), if the same is subject to dividend distribution tax as referred to in section 115-0 of the IT Act, as per the provisions of section 10(34) of the IT Act.
2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer than it will result in a capital loss. However, section 94(7) of the IT Act

provides that the capital loss arising on account of sale/transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of securities) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

INCOME FROM CAPITAL GAINS

- 2.1 In terms of first proviso to section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefit will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of shares.
- 2.2 Provisions of section 10(38) of the IT Act, exempt the long term capital gains arising on sale of equity shares in the Company where the sale transaction has been entered into on a recognized stock exchange of India and has been liable to securities transaction tax. However, the income by way of long-term capital gain of the company is taken into account in computing the book profit and income tax payable under section 115JB of the IT Act.
- 2.3 The provisions of section 112 of the IT Act, permit taxing long term capital gains [which are not exempt under Section 10(38) of the IT Act] arising on transfer of shares in the Company at a rate of 20 percent (plus applicable surcharge and education cess) after considering indexation benefit. However, the share holder may opt for the tax on long term gains computed at the rate of 10 percent (plus applicable surcharge and education cess), if the tax on indexed long term capital gains resulting on transfer of listed securities calculated at the rate of 20 percent (after indexation benefit) exceeds the tax on long term gains computed at the rate of 10 percent without considering indexation benefit.
- 2.4 The provisions of section 111A of the IT Act, prescribes for taxing the short-term capital gains arising from sale of equity share in a Company at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short term capital gains arising from transfer of shares in a company other than those covered by Section 111A of the IT Act would be subject to tax as calculated under the normal provisions of the IT Act.
- 2.5 The provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the non-resident would prevail over the provisions of the IT Act, as per section 90(2) of the IT Act; to the extent they are more beneficial to the non-resident.
- 2.6 The provisions of section 54EC of the IT Act exempts long-term capital gains [which are not exempt under section 10(38) of the IT Act] from being taxed to the extent such capital gains are invested in long term specified assets within a period of 6 months after the date of such transfer (presently, bonds issued by the National Highways Authority of India or the Rural Electrification Corporation Limited have been specified). Where only a part of the capital gains is so invested, the exemption is proportionately available. However, the investment in specified asset is limited to Rs 5 million. The minimum holding period in the prescribed investments to remain eligible for the exemption is 3 years.
- 2.7 Subject to the conditions specified under the Provisions of section 54F of the IT Act, long- term capital gains (which are not exempt from tax under section 10(38) of the IT Act) arising to an individual or a HUF on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

2.8 Where shares of the Company have been subscribed in convertible foreign exchange, Non- Resident Indians (i.e. An individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:

- **Under section 115E of the IT Act**, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a non-resident Indian, long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.
- **Under section 115F of the IT Act**, long-term capital gains [in cases not covered by section 10(38) of the IT Act] arising to a non-resident Indian from transfer of shares of the company, subscribed in convertible foreign exchange (in case not covered under Section 115E of the IT Act), shall be exempt from income tax, if the entire net consideration is reinvested in specified assets/saving certificates referred to in section 10(4B) within 6 months of the date of transfer. Where only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets/saving certificates are transferred or converted into money within 3 years from the date of their acquisition.
- **Under section 115G of the IT Act**, it shall not be necessary for a non-resident Indian to furnish his return of income under Section 139(1) if his income chargeable under the IT Act consists of only investment income or long term capital gains or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax has been deducted at source from such income as per the provisions of Chapter XVII- B of the IT Act.
- **Under section 115I of the IT Act**, a Non-Resident Indian may elect not to be governed by the foregoing provisions for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

1. Investment in shares of companies are excluded from the definition of the term "asset" as given under section 2(ea) of the Wealth Tax act, 1957, and hence the shares held by the shareholders would not be liable to Wealth tax.

BENEFITS AVAILABLE UNDER THE GIFT TAX ACT

1. Gift tax is not leviable in respect of any gifts made on or after 1st October, 1998.
2. However, as per section 56(2)(vii)(c) of the IT Act, any individual or a HUF receives any shares or securities without consideration, the aggregate value of which exceeds Rs 50,000, than the whole of the aggregate fair market value of such shares and securities shall be chargeable to income-tax under the head "Income from other sources". However, if the consideration received is less than the aggregate fair market value of the shares and securities by an amount exceeding Rs 50,000, than the aggregate fair market value of such property as exceeds such consideration. However, this section will not be applicable if the shares and securities are received from any relative or on the occasion of marriage of the individual or under will or by way of inheritance etc.

3. However, as per section 56(2)(viia) of the IT Act, any company not being a company in which the public are substantially interested receives on or after 1 June 2010, any property being the shares of a company in which the public are substantially interested without consideration, the aggregate value of which exceeds Rs 50,000, than the whole of the aggregate fair market value of such shares and securities shall be chargeable to income- tax under the head "Income from other sources". However, if the consideration received is less than the aggregate fair market value of the shares and securities by an amount exceeding Rs 50,000, than the aggregate fair market value of such property as exceeds such consideration.

Notes:

1. The above Statement of Possible Direct Tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
2. The above Statement of Possible Direct Tax benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect of the specific tax implications arising out of their participation in the issue.
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation avoidance Agreement, if any, between India and the country in which the non-resident is resident.

For **Pradeep Hari & Co.**
Chartered Accountants

Pradeep Kapoor
Proprietor
Membership No.: 074491

Place: Moradabad
Date: March 7, 2014

SECTION IV – ABOUT US

INDUSTRY AND BUSINESS OVERVIEW

INDUSTRY OVERVIEW

YOU SHOULD READ THE FOLLOWING SUMMARY TOGETHER WITH THE RISK FACTORS AND THE MORE DETAILED INFORMATION ABOUT OUR COMPANY AND FINANCIAL DATA INCLUDED ELSEWHERE IN THIS INFORMATION MEMORANDUM.

(The information in this section is derived from various publicly available sources, government publications and other industry sources. This information has not been independently verified by us or respective legal or financial advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information).

INDUSTRY OVERVIEW

Paper Industry - Global Scenario

The global paper and pulp industry is dominated by North America (US and Canada), Northern Europe (Finland, Sweden, and North West Russia) and Asia (China, Indonesia, Japan and South Korea). The global pulp and paper industry consists of about 5000 industrial pulp and paper mills, and an equal number of very small companies. The annual global paper and paperboard production was approximately 382.0 million tonnes in 2006. It is expected to increase to 490.0 million tonnes by 2020. (Source: Websites of global consulting group 'Pyory' and International Council of Forest and Paper Association).

The paper and paperboard industry has witnessed a radical shift in the last decade. A clear development is the shift in growing demand from advanced countries to emerging economies. North America and Europe registered declining demand of 2.4% and 5.6% respectively, while the Asian economies, including India and China, grew by 3.7% in 2013. Much of this divergent trend is attributable to fundamental differences in the stage of economic development across these regions. In advanced countries, where technology adoption is much greater, rapid penetration of computers and spread of digital media have adversely affected paper demand. In emerging Asian economies like India, there is still massive under-penetration of paper use.

India and China are likely to dominate the global paper market as both producers and consumers of paper and packaging over the next five years. Asia, with China and India as leading contributors, would account for more than one half of global paper production and consumption by 2018. (Source: Standard & Poor's Ratings Services).

Indian Paper Industry

In India, the first paper mill was established in 1867. Raw materials used for the production of paper were rags and waste paper. Commercial production of paper started in 1882 and the raw materials used were again non-wood fibres, i.e., Eulaliopsis Binata and Sachaurn Bengalense. The development of the fractional process of pulping bamboo at the Forest Research Institute, Dehradun during 1922 – 24 provided an impetus to the pulp and paper industry in the country making bamboo the main raw material for making various grades of paper.

There are about 750 - 1000 paper mills (organized & unorganized sector) in the country out of which large integrated units are only 14-15 Nos. with a production share of about 28% and balance comprises of Medium (Agro-based) and Small (waste paper based) paper mills with production share of 72%.

The Indian paper industry is an integral part of the Nation's economy and contributes to its growth and development. It is in this spirit that the Indian paper industry has continued to upgrade its capacities and technologies, in spite of huge challenges like shortage of raw material being highly capital intensive in nature of the industry and a threat of cheaper imports from China, Indonesia etc. From a situation where most paper mills were relatively smaller and with old technologies, we have now reached a stage where almost all major paper mills have adopted world class technologies and are fast progressing towards world scale of operations as well.

The Indian paper industry currently has a turnover of over Rs. 43,000 crores and contributes over Rs. 4,300 crores to the national exchequer. Even more importantly it is providing employment opportunities to over 1.5 million people, mostly in rural areas.

The domestic demand for all varieties of paper in India is estimated at around 11.60 million tonnes per year which is less than 3% of global demand of 400 million tonnes even though population of 121 crores as per 2011 census is 17% of world population. Of this, writing & printing paper accounts for approx. 4.20 million tonnes, packaging grades for approx. 5.05 million tonnes and newsprint for about 1.75 million tonnes apart from speciality grade about 0.60 million tonnes.

Even though our domestic paper consumption has been growing steadily, it is still only 10/11 kg per capita, which is abysmally low when compared to even highly populated and developing economies. For example, per capita consumption in China & Indonesia is estimated at 42 kgs and 23 kgs, respectively.

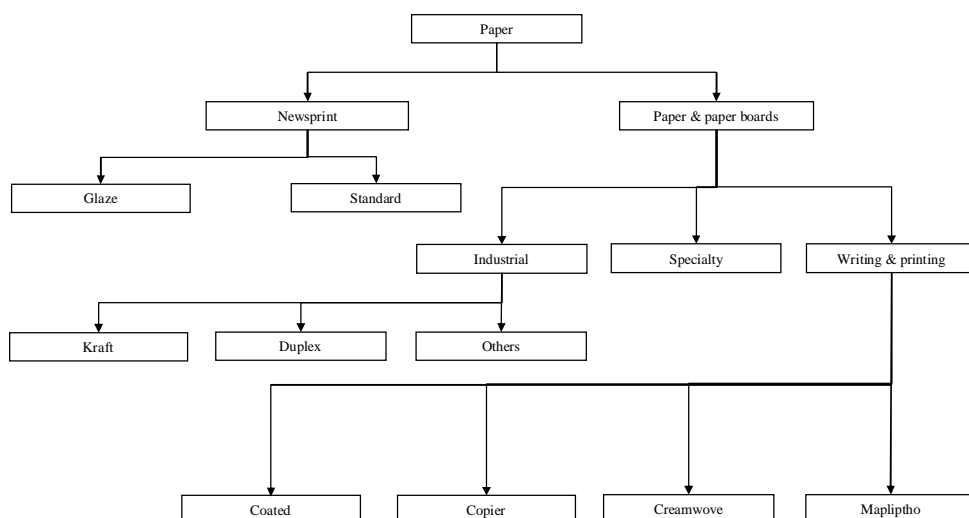
We have no doubt that given India's projected GDP growth, the renewed thrust on universal education through Sarva Shiksha Abhiyan and Right to Education and the consequent changes in lifestyle, paper demand per capita will gradually move to at least 20 kg per capita or 20 million tonnes by 2020 in our country, requiring more than double quantity of paper that we currently produce and consume.

According to recently published report by TechSci Research "India Paper Industry Forecast & Opportunities, 2017" the paper industry in India is expected to grow at the CAGR of around 9.6% during 2012-2017, which will make the revenues of paper industry of India to reach at the value of around USD 11 Billion by 2017.

The paper industry in India has become more promising as the domestic demand is on the rise. Increasing population and literacy rate, growth in GDP, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India. BILT and ITC are among the largest producers of paper and paperboard in India. Many of the existing players are increasing their capacity to meet the growing demand. The focus of paper industry is now shifting towards more eco-friendly products and technology. Government of India has established rules and regulations to control the population and degradation of forest. These measures taken by the government has brought the significant changes in the paper industry of India.

Structure of Indian Paper Industry

Broadly, the paper industry based on output can be classified into two segments: (1) Paper and paperboard (writing & printing, industrial and specialty). The industrial paper can be further divided into kraft paper, duplex and grey and white boards and MG posters segments. (2) Newsprint mainly used for newspapers, flyers, and other printed material intended for mass distribution.



Our company is in the business of production of Kraft paper which is a type of Industrial Paper.

Domestic Paper Capacity & Production

Indian Paper industry was deregulated in July 1997 under economic liberalisation policy of the government. Industrial licensing was done away with for most types of paper, except for SSI reserved items. Paper industry is one of the high priority industries where FDI up to 100% is allowed under automatic route for most types of paper except those requiring industrial license.

The Indian Paper Industry has a fragmented structure, consisting of small, medium and large paper mills, having capacities ranging from 5 to 800 tonnes per day. There are about 708 units which manufacture pulp, paper, paper board and newsprint. The total installed capacity is nearly 11.5 million tonnes. Following table provides break-up of number of paper mills based on their size:-

Particulars	Scale of operation, tonnes per day	No. of mills	Production share %
Large integrated (wood based)	100-700	85	36
Medium (Agro Based)	50 – 100	109	29
Small (Waste Paper)	5 – 50	514	35
Total		708	100
Source: Website of Department of Industrial Policy & Promotion (www.dipp.nic.in)			

The high level of fragmentation in Indian paper industry is largely due to the policies adopted by the government. In the 1970's, the government granted excise concessions to small agro based mills that resulted in rapid growth of small mills. The top five producers account for about 15 per cent of the total paper capacity in the country.

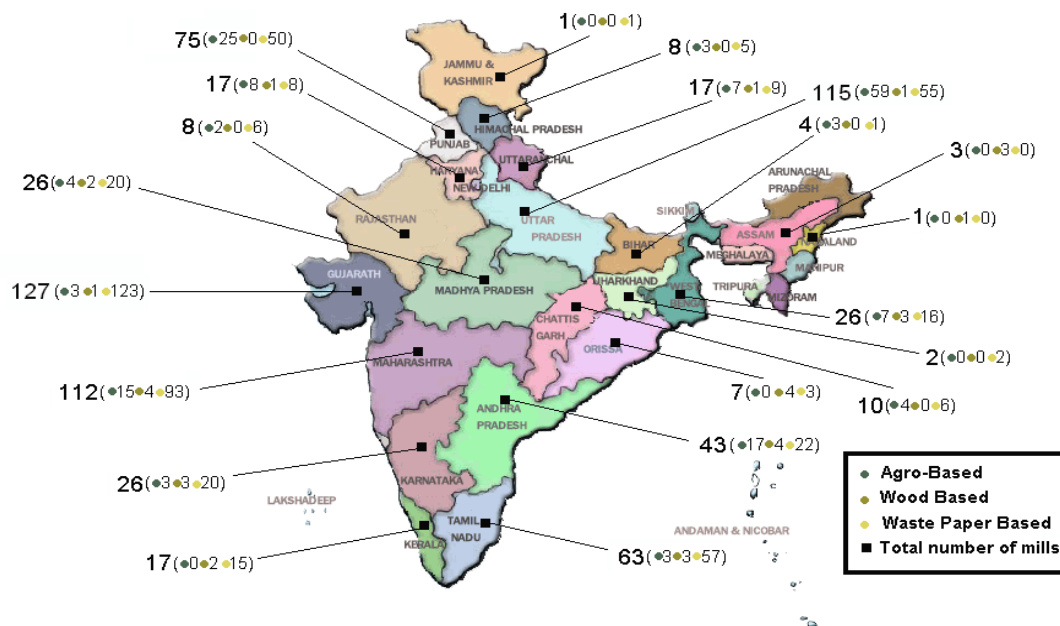
Following table gives ten major players in Indian paper industry and their installed capacities:-

Name of the company	Installed Capacity (MT.)
Ballarpur Industries Limited	969568
ITC Ltd	550000
J K Paper Limited	455000
Century Pulp & Paper	413810
Tamil Nadu Newsprint & Papers Limited	400000
The West Coast Paper Mills Ltd	320000
Rainbow Papers Limited	305000
The Andhra Pradesh Paper Mills Ltd	241000
Seshasayee Paper & Boards Limited	175000
Trident Limited	175000

Source: Website of Department of Industrial Policy & Promotion (www.dipp.nic.in) and www.papermart.in

Source of raw material is a major determinant of plant location as it ensures cost competitiveness. In India, most of the paper mills are located close to the source of raw materials (forests, coal pitheads and skilled labour). Companies that use imported raw materials are located close to the ports. The centres of production are situated in the western (Maharashtra and Gujarat), northern (Delhi, Uttar Pradesh, Punjab and Haryana) and southern regions (Tamil Nadu) of India.

Regional distribution of Paper mills in the country



Paper Mills in India - Regional Distribution

Gujarat leads the tally with maximum number of 127 mills. Most of these mills are based on waste paper. This is followed by Uttar Pradesh which has got 115 mills. However, the major players are located in southern and central part of the country.

Raw Material and Other Inputs

Raw materials and energy form a paper manufacturer's main costs. They account for 70-75 per cent of total costs. In India, three main sources of raw materials are used to manufacture paper: wood/bamboo, agri-residues such as bagasse, and wastepaper. Wood accounts for 36 per cent of production, while wastepaper and agri-residues account for 32 per cent each. The primary raw material used by the paper industry is wood. Softwoods are not used in India, as they are not easily available. (Softwoods cover 6-7 per cent of the total forest area in India.). Players manufacturing high-quality paper use imported pulp. Due to the limited availability of wood, agro-based raw materials and waste paper are used as substitutes for manufacturing paper. However, paper so produced is of lower quality as compared with paper manufactured using wood.

The ability to manage raw material costs determines a manufacturer's profitability, as they form the largest cost component. The product mix of a company affects its choice of raw material, while the raw material mix determines its cost. Newsprint and industrial grades of paper can be made from wastepaper and agri-residues. But premium varieties of paper require superior quality inputs such as imported pulp and wood.

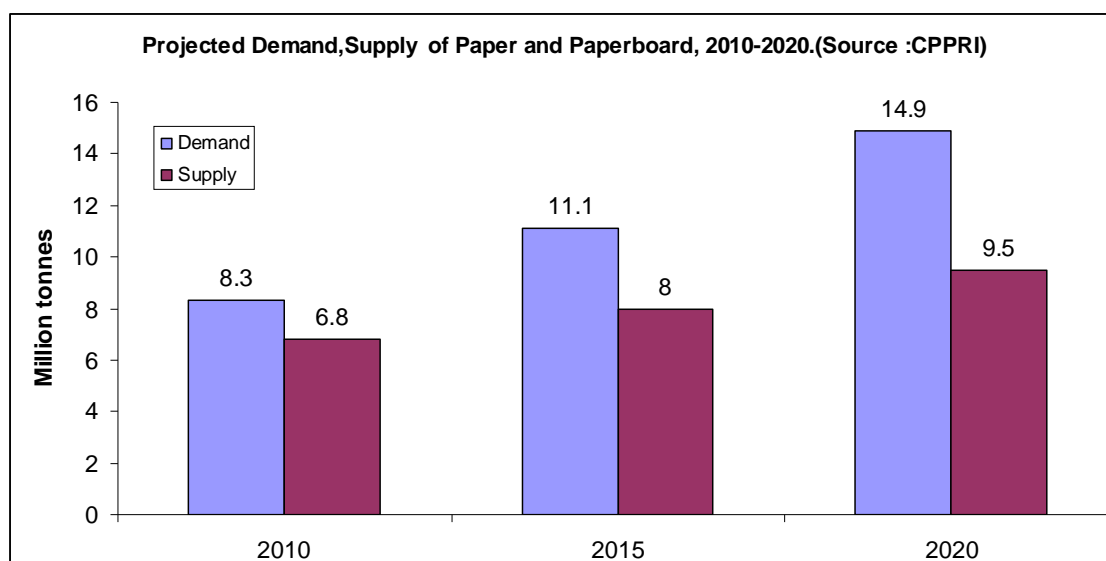
The pulp and paper industry consumes a large amount of energy and water. In India, energy costs account for 15-19 per cent of net sales for paper companies. Energy costs vary depending on the fuel used for generating power. The level of energy consumption in the paper industry is also dependent on the scale of operations. While large companies with integrated operations (they manufacture paper through the pulping process) have higher energy costs, medium-sized players have a much lower energy cost, as they use power in the conversion process only. The cost of power has increased since the availability of power being unreliable and the industrial segment cross-subsidising power to other segments. This has resulted in larger mills setting up captive power capacities to take care of their energy requirements.

Domestic Demand for Paper

Consumption of paper is closely linked to the economic development of a country. In India, though the per capita consumption of paper is low, it is gradually improving with buoyant economic growth. Industrial production, print media expenditure, population increase and literacy levels are all drivers to this demand growth.

There exists considerable opportunity and potential for Indian paper industry to tap this demand growth. Given its economic growth and demographic transformation, the Indian market presents growth opportunities for the industry. There have been structural changes in the economy. These include greater urbanization, increase in disposable incomes and changing consumer behavior, greater penetration of education, print and media, demographic transformation towards a younger population and a shift in lifestyle that inculcates more aspirations.

Demand growth of paper has been hovering around 8% for some time. India is the fastest growing market for paper globally and it presents an exciting scenario; demand for paper is poised to grow in sync with the economic growth and is estimated to touch 11.1 million tons by 2015 and 14.9 million tonnes by 2020. The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonnes. (Source: Website of Indian Paper Manufacturers Association).



(Source: Website of Central Pulp & Paper Research Institute)

Domestic demand leaves very little opportunity for export of paper from India. Most of the export occurs in the paper and paper board segment and is mainly targeted to countries in close vicinity of the Indian peninsula. To meet growing demand, the paper industry has installed new capacity.

The paper industry in India is one of the high priority industries having a bearing on socio-economic development of the country. The key social objective of the government namely eradication of illiteracy through compulsory primary education bears a direct relation with the paper industry. The paper industry plays a pivotal role in overall industrial growth and provides the vital vehicle needed to propel the knowledge based economy of the country in the new millennium.

Demand for Kraft Paper

With increased economic activity the demand for paper especially kraft paper, industrial paper, duplex boards, and corrugating material is too poised for healthy growth. Industrial paper is the highest value segment in the paper industry and accounts for 41% of the total market size.

Kraft paper is usually the brown paper that is commonly used for manufacturing brown bags, cartons, etc. It is largely used to manufacture corrugated boxes, bags, sacks, etc. However, corrugated boxes account for 85-90 per cent of the total demand for kraft paper. Demand for kraft paper depends on the growth in consumer durables, the manufacturing industry, horticulture, FMCG etc. Strong growth in end-user sectors such as pharmaceuticals, horticulture, ready to eat foods, marine products, textiles, consumer durables and other industrial products is expected to result in a buoyant growth for kraft paper. Duplex boards which are mainly used as primary packaging for various products such as pharmaceuticals, cigarettes, matchboxes, agarbattis, toothpastes, growing agro-based sector, including horticultural products, fresh and canned fruits, etc. and other similar consumer items is witnessing robust demand. This, together with the Government policy to replace wooden crates by containerboard boxes particularly in fresh fruit packaging, will create new demand for corrugated boxes.

Demand Drivers for Kraft Paper

Consumption of industrial paper is closely linked to growth in the packaging industry, industrial production and development in packaging technology and substitution by other materials. Following are other important factors contributing to demand growth in industrial paper:-

- The growing popularity of ready-to-eat products, liquid products and other perishable products will result in higher demand for attractive and durable packaging, thus increasing demand for kraft paper and duplex boards.
- Branding is a big driver of packaging, as manufacturers try to create identifiable and attractive brands. With more and more consumers opting for branded goods, demand for kraft paper and duplex boards is expected to remain strong in the future.
- With increase in malls, departmental stores and other such modern retail formats, manufacturers use innovative packaging solutions to increase their sales.
- The fastest-growing end-use segments for duplex boards are foodstuffs, consumer durables, garments, pharmaceuticals, cigarettes and matchsticks. Gradual shift in population from rural to urban as well as change in lifestyle due to improvement in the standard of living, demand for duplex boards is expected to explode.

Business Overview

Pursuant to the Scheme of Arrangement, the 'Non Power Infrastructure Undertaking/Business' of GPIL on a going concern basis, including the business activity of manufacturing and trading of all kinds and classes of papers and boards and also steel business, along with the activity of managing, supervising, controlling and making non power investments, including all related assets, liabilities, rights and obligations has been transferred to and vested in our Company.

We are an Industrial Paper manufacturer of various grades of Kraft paper. We also manufacture steel ingot from scrap. We have current capacity of 90,000 TPA of Kraft paper and 23,760 TPA of steel ingot. We have a capacity to generate 12 MW of power through co-generation plant for captive use. All our manufacturing units have been established on 14.86 hectares of land in Village Aghwanpur, Kanth Road, which is about 3 kms from the main city of Moradabad, Uttar Pradesh.

Our range of Kraft paper includes 140 GSM to 400 GSM. We are one of the few Kraft paper manufacturers having capacity of more than 50000 TPA. Our 12 MW Co-Generation Power plant uses coal and husk as fuel feed.

Kraft Paper is a type of industrial paper and used by packaging industry for manufacturing corrugated boxes and liners, corrugated sacks and composite containers.

Steel ingot is manufactured by using the excess power generated in our cogeneration plant after meeting our requirement for captive consumption for the manufacture of kraft paper. Steel ingots are used for manufacturing various types of steel bars by rolling mills.

We require low pressure steam for manufacturing kraft paper. Boilers installed at our manufacturing unit produce high pressure steam which we first use to generate power through back pressure turbine, which also gives us low pressure steam required for manufacturing kraft paper.

Our strength

Manufacturing facility: We are one of the few Kraft paper manufacturers having two lines, out of which one line is having three wires machines for manufacture of high quality multi layer kraft paper. The decal size of our machines is 4200 mm, which is very well suited for the use in modern automatic multi layer corrugation units, thus reducing the wastage for the end users and giving them the flexibility in their different size requirements. We believe our quality and size helps us in getting orders from our customers.

Operational efficiency: Machines are installed on the first floor level, which contributes to the efficiency at the operational levels and also reduce our cost.

Large capacity: We are one of the few kraft paper manufacturers having capacity of more than 50000 TPA. Our Current capacity of manufacturing kraft paper is 90,000 TPA. We manufacture both multi layer kraft paper and

normal kraft paper. Our large capacity helps us to meet peak season demand for kraft paper. We believe our large capacity helps us in getting repeat orders from our customers.

Product range: We offer our customer wide range of kraft paper from 140 GSM to 400 GSM. We believe we are among few manufacturers, which manufacture such a large range of kraft paper. Our product range helps in meeting our customer's requirement. Our wide range of products not only helps us to improve our relationship with our customer but also adds new customer.

Approved vendors with MNCs and large business-houses: Most of the large users of corrugated boxes require their corrugators to procure the kraft paper from approved list of vendors only. We are registered with Moser Baer India, Hindustan Uniliver, LG, Videocon, Onida, Century, etc. for supplying kraft paper to the manufacturers of corrugated boxes. This helps us in meeting the demand of various requirements of these MNCs and large business-houses.

Diverse revenue streams: We also manufacture steel ingots. The excess power remaining after captive consumption for manufacture of kraft paper, is used for manufacturing of steel ingots.

Steel Industry

Sector structure

Steel is one of the most common materials in the world and is a major component in buildings, infrastructure, tools, ships, automobiles, machines, and appliances. It is environment friendly, can be recycled and requires considerably less energy to produce than some other metals.

Steel market is primarily divided into two categories - flat and long.

- Flat Steel: Plate or a (hot or cold) rolled strip product. Typical products are plates, HR coils, HR sheets, CR coils, CR sheets, Galvanised plates (GP), Galvanised coils (GC), pipes etc
- Long Steel: Rod or a bar. Typical rod products are the reinforcing rods made from sponge iron for concrete, ingots, billets, engineering products, gears tools etc.

Market Potential

The steel industry in India has been moving from strength to strength and according to the year-end review by the Press Information Bureau, India has emerged as the fourth largest producer of steel in the world and the second largest producer of crude steel.

We manufacture M. S. ingot. Mild steel ingots are the basic raw material for manufacturing various types of rerolled products. With the increased infrastructural activities in the country, the demand for mild steel ingots are very high now-a-days.

The demand for steel is bound to grow with the boom in construction, housing and infrastructural projects. With our Govt. policy to give more stress to the infrastructural development of the country, the construction has reached its boom. Moreover, the housing sector is growing very fast.

Production

The Ministry data reveal that production of finished steel during the April-December period of the previous fiscal grew by 3.3 per cent to 56.5 million tonnes (MT) from 54.7 MT a year ago.

The National Steel Policy has a target for taking steel production up to 110 MT by 2019–20.

Consumption

India accounts for around 5 per cent of the global steel consumption. Almost 70 per cent of the total steel used is for kitchenware. However, its use in railway coaches, wagons, airports, hotels and retail stores is growing.

The country's steel consumption grew by only 3.9 per cent in the first nine months of the previous fiscal to 54.8 million tonnes (MT). The scope for raising the total consumption of steel is huge, given that per capita steel consumption is only 35 kg – compared to 150 kg across the world and 250 kg in China.

BUSINESS STRATEGY

Increasing capacity / Inorganic growth: The Company total production capacity of kraft paper and steel ingot is 90000 TPA and 23760 TPA, respectively. The Company has already started the expansion of kraft paper & Steel ingot business as planned and which is expected to be completed by March 2015. After the ongoing expansion, the production capacity of kraft paper and steel ingot will be increased to 150000 TPA and 40000 TPA respectively.

Diversifying income stream: In order to diversify our income we have steel ingot manufacturing capacity which is unrelated field. However this has helped us in growing our Company and utilizing our resources in effective manner. We may look at other opportunities to diversify our income stream.

Forward integration: We are currently supplying kraft paper to various paper packaging manufacturers. We may look at forward integration and foray into manufacturing of various paper packaging products catering to the need of MNCs and large business-houses directly.

KEY INDUSTRY REGULATIONS AND POLICIES

We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. The regulations set out below are not exhaustive and are only intended to provide general information to investors.

Industrial Laws:

1. Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 applies to every establishment in which 20 or more workmen are employed or were employed on any day on the preceding 12 months as contract Labour and to every contractor who employs or who employed on any day of the preceding 12 months 20 or more workmen. It does not apply to establishments where the work performed is of intermittent or casual nature. It aims to prevent any exploitation of the persons engaged as contract labour, who are generally neither borne on pay roll or muster roll nor is paid wages directly. It provides for registration requirements of the principal employer, who has the responsibility for inadequate wage payments by the contractor to the labour.

2. Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. Section 2(m) of the Act, defines, a 'factory' to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least twenty workers even though there is or no electrically aided manufacturing process being carried on. Each State Government has set out rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories. The Act provides that occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. There is a prohibition on employing children below the age of 14 years in a factory.

3. The Workmen Compensation Act, 1923

The Workmen Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment.

In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

4. The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

5. The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 was enacted with the objective of providing of payment of bonus to employees on the basis of profit or on the basis of productivity. This Act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs. 100, whichever is higher.

6. Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit linked Insurance Scheme" and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

7. The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 makes provisions for investigation and settlement of industrial disputes and for providing certain safeguards to the workers.

8. Industrial Employment Standing Orders Act, 1946

Every establishment employing more than 50 employees is required to formulate rules and Regulations for its employees and the same should be submitted for approval to the Deputy Labour Commissioner.

Environmental Laws:

9. The Environmental Protection Act, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

10. Environmental Legislation

We are required under applicable law to ensure that our operations are compliant with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974, as amended ("Water Pollution Act"), the Air (Prevention and Control of Pollution) Act, 1981, as amended ("Air Pollution Act") and the Environment Protection Act, 1986, as amended ("Environment Act"). The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any

treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the Air Pollution Act are to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area. The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution.

11. Foreign Investment Regime

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act ("FEMA"), and the rules, regulations and notifications thereunder, as issued by the RBI from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the Foreign Investment Promotion Board ("FIPB") is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. At present, foreign investment upto 100% in companies engaged in manufacturing activities is permitted under the automatic approval route unless it attracts Press Note 1 (2005 Series) conditions.

Tax Related Legislations

12. UP Value Added Tax, 2008

UP Value Added Tax, 2008 was legislated in the year 2008 to provide for introducing Value Added System of taxation for the levy and collection of tax on sale or purchase of goods in the State of Uttar Pradesh and for matters connected therewith and incidental thereto. Value Added Tax (VAT) is charged by laws enacted by each State on sale of goods affected in the relevant States. VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is not chargeable on the value of services which do not involve a transfer of goods. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

13. Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic /Foreign Company whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax Return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

14. Central Sales Tax Act, 1956

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (monthly/ quarterly/ annually) as required by the State Sale Tax laws of the assessing authority together with treasury Challan or bank receipt in token of the payment of taxes due.

REGULATION FOR IMPORTS & EXPORTS

15. Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

16. Central Excise Act, 1944

In accordance with the Central Excise Act & Central Excise Rules, every person who produces or manufactures any excisable goods is required to get itself registered with the Jurisdictional Deputy or Assistant Commissioner of Central Excise. Hence this Act is applicable on our Company. Further the provisions of the Central Excise Rules provide that the manufacturer of final products (other than SSI's) shall submit the duty on goods removed from the factory or warehouse during the month by the fifth day of following month. Also a Monthly Return in Form ER1 is required to be submitted to the Superintendent of Central Excise within 10 days after the close of the month.

17. Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

HISTORY AND CERTAIN CORPORATE MATTERS

Corporate Profile and Brief History

Our Company (Corporate Identification Number U21098UP2012PLC048300) was incorporated on January 11, 2012 as a public limited company with the name "Genus Paper & Boards Limited". Our Company received certificate of commencement of business on January 13, 2012. The registered office of our Company is situated at Village Aghwanpur, Kanth Road, Moradabad-244001 and its principal/corporate office is situated at D-116, Okhla Industrial Area, Phase-I, New Delhi-110020.

The objects for which our Company has been established are set out in the Memorandum of Association. The main objects are set out hereunder:

1. a). *To carry on in India or elsewhere the business as manufacturers, processors, fabricators, buyers, sellers, importer, exporter, distributors, traders, suppliers, stockiest and dealers of all kinds and classes of Paper, Board, and Paper and Board products and conversions including kraft paper, writing paper, printing paper, absorbent paper, blotting paper, filter paper, waste paper, antique paper, ivory-finish paper, coated paper, art paper, bank or bond paper, badami, brown or buff paper, carbon paper, chemically treated paper, litmus paper, photographic paper, glass paper, emery paper, paper board, paste board, card cardboard, strawboard, grey board, pulp board, corrugated board, duplex and triplex boards, laminated board, hard-board, plywood board, post cards, visiting cards, etc., and all kinds or articles in the manufacture of which in any form paper or board is used and also to manufacture or deal in any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.*
- b). *To buy, sell, import, export, process, cut, cost, chemically or otherwise treat and to work out for special purposes all kinds of pulps, papers and boards and also deal in the manufacture of any other articles connected with the foregoing.*
- c). *To carry on the manufacturing business and to act as selling and distributing agents, to buy sell import export and to deal in all sorts of papers or pulps, kraft, poster, tissue, grease proof, glassine and all kinds of packing wrapping, writing and printing paper, all sorts of cardboard, millboard and railway and other tickets and wall and ceiling papers.*
- d). *To manufacture, produce, supply distribute import, export, buy sell or otherwise deal in trades of all kinds of pulp including paper pulp, wood pulp, straw pulp, bamboo pulp and fibrous pulp, mechanical pulp, chemical pulp, rayon pulp, and to manufacture, make deal in all kinds of materials and substances that can be produced or recovered as by-products during the process of production of pulp, paper and other materials manufactured, processed or dealt-with by the company.*
- e). *To carry on the business as buyers, sellers, suppliers, importers, exporters, importers and dealers of all kinds of stationers, Corrugated Paper & Boxes, Card Board Boxes, Container & Cartons, Packing Materials, Printers requisites etc.*
2. a). *To carry on the business as manufacturers, fabricators, distributors, traders, stockiest, importers, exporters and dealers in all kinds classes of steel ingots from any kind of suitable raw material including iron scrap, sponge iron, iron ores; and all kinds of articles including tor, saria, angle, channel, plates, strips etc. in the manufacture of which steel ingots is any article or thing of a character similar or analogous to the foregoing or any of them connected with.*
- b). *To manufacture, buy, sell, exchange, process, refine, smelt, prepare, work, alter, improve, import, export and to carry on business as agents, distributors, stockiest and otherwise deal in iron, steel and their scraps and byproducts, metal scrap, iron ores and minerals in all forms and to carry on the business of iron and steels, founders and manufacturers, iron workers, iron masters, brass founders and metal makers, steel*

makers, steel converters, fabricators, smiths, tin-plate makers, manufacturers of industrial, agricultural and other fittings and to establish rolling mills and rollers in their respective branches.

3. *To undertake and carry on the business activities of investment, management, marketing of all kinds of real estate projects including residential, commercial, industrial, retail, infrastructure or a combination of any of these and to purchase, acquire take on lease or in exchange hire or otherwise any immovable and/or movable property and/or any rights or privileges in respect thereof and further to sell, exchange, improve, manage develop lease out mortgage, dispose off or turn to/account and/or otherwise to deal with all or any such movable or immovable property, rights and privileges thereof upon any terms and for any consideration as may thought fit.*
4. *To undertake and carry on the business of providing financial assistance by way of subscription to or investing in the equity shares, preference shares, debentures, Bonds including providing of long term and short term loans, lease-finance, subscription to fully convertible bonds non convertible bonds, partially convertible bonds, optional convertible bonds etc., giving guarantees or any other financial assistance as may be conducive for development, construction, operation, maintenance etc., of infrastructure projects in India in the fields of roads, highway, power generation and for power distribution or any other form of power, telecommunication services, bridge(s), airport(s), ports, rail system(s), water supply, irrigation, sanitation and sewerage system(s), Special Economic Zones or other Export Promotion Parks, Software Technology Parks, Electronic Hardware Parks, Bio -Technology Parks and any other industrial parks or any other public facility of similar nature that may be notified in future as infrastructure facility either by the State Governments and/or the Government of India or any other appropriate authority or body.*

Amendments to our Memorandum of the Company

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Change	Type of Meeting /Type of resolution	Brief particulars of change/amendment
October 29, 2013	Pursuant to Ordinary Resolution passed by the Shareholders of the Company at their duly convened Extraordinary General Meeting held on 29.10.2013	The initial authorized share capital of Rs.10,00,000 comprising of 10,00,000 Equity Shares of Re.1 each was increased to Rs.26,00,00,000 divided into 26,00,00,000 Equity Shares of Re.1 each.

Holding and Subsidiary Companies

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

The Company has 4 subsidiary companies, listed below:

1. Genus Prime Infra Limited (Formerly: Gulshan Chemfill Limited)
2. Star Vanijya Private Limited (*Step down Subsidiary*)
3. Sansar Infrastructure Private Limited (*Step down Subsidiary*)
4. Sunima Trading Private Limited (*Step down Subsidiary*)

For a detailed description, please see the section entitled "Group Companies" in this Information Memorandum at page no 92.

Shareholders Agreement

There are no shareholder agreements which govern the right/obligations amongst the shareholders and/or the company as on date of Filing of the Information Memorandum with the Designated Stock Exchange.

Other Agreements

Except the Contracts / Agreements entered into in the ordinary course of the business carried on or intended to be carried on by the Company, the Company has not entered into any other Agreement / Contract. In terms of clause 16 read with clause 10 of the Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature, to which the GPIL (in relation to or pertaining to the Demerged Undertaking/Business) is a party and subsisting or have effect on the Effective Date, shall be in full force and effect against or in favour of GPBL, and may be enforced by or against GPBL as fully and effectually as if, instead of GPIL (in relation to or pertaining to the Demerged Undertaking), GPBL had been a party or beneficiary or obligee thereto.

Strategic Partners

There are no strategic partners in the Company.

Financial Partners

There are no financial partners in the Company.

Location of Manufacturing Facility

The Company's manufacturing unit is located at Kanth Road, Aghwanpur, Moradabad, Uttar Pradesh -244 001. The manufacturing unit consists of two independent plants, which has the facilities for manufacturing products namely **Kraft Paper and Steel (M.S. Ingots)**.

Manufacturing Process of our products:

(A) Kraft & Multi Layer Kraft Paper

Manufacturing Process

The Company uses recycled fibre (waste paper) technology for manufacturing of kraft paper/multi layer kraft paper. The Manufacturing process is as follows:

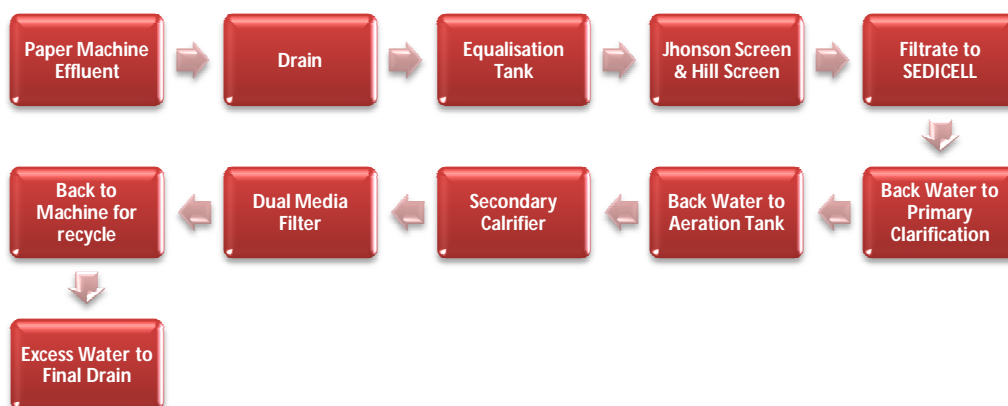


Stock is passed through stock chest before feeding it to the paper machine. The stock travels through machine in a very diluted state, approximately 99% of water to one part of fibers. The paper machine consists of an endless web of woven wire cloth where the stock flows. Bulk quantity of water from stock is removed by wire by gravity, suction and pressure. A Lumps breaker roll between the suction boxes acts to remove moisture.

The wet web of paper is passed from the wet press and felt. Generally, there are three sets of felt. The paper sheet contains 50% to 55% moisture when it comes out of the press. In order to get air-dry paper, the wet sheet is passed on the heated surface of a rotary dryer. Then, the process of calendaring is carried out by passing the sheet through calendar to give a smooth finish to paper. The paper sheet is then wound and a reel is made. Reels of different sizes are made with a slitter and re-winder.

Effluent Treatment

The Kraft Paper effluent consists of paper machine effluent from the mill. All excess paper machine effluent goes through drain to equalization tank. Effluent then fed to Jhonson screen and Hill screen to segregate fibre & water. Water coming out from sedicell then treated step by step (as shown in flow chart) to meet the norms set by Central Pollution Control Board. During process settled mud of system is being pumped to presses and sludgebed to get in cake form which goes out.



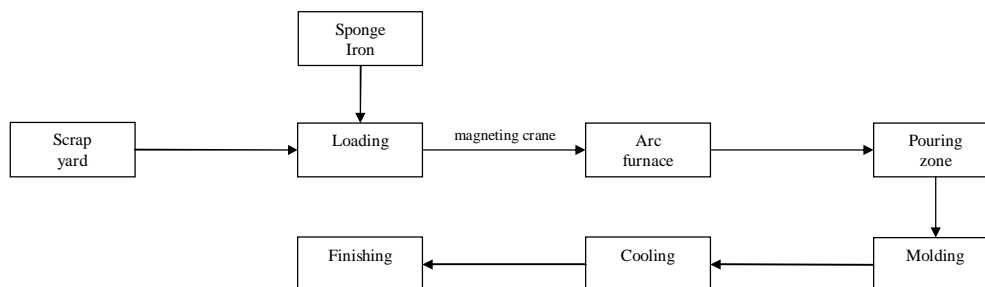
(B) STEEL (M. S. INGOT)

Raw Material

The Raw Material required in the manufacturing process of M.S. Ingot consists of Iron Scrap and Sponge Iron.

Manufacturing Process

The process flow chart for manufacturing of MS. Ingot is as follows:

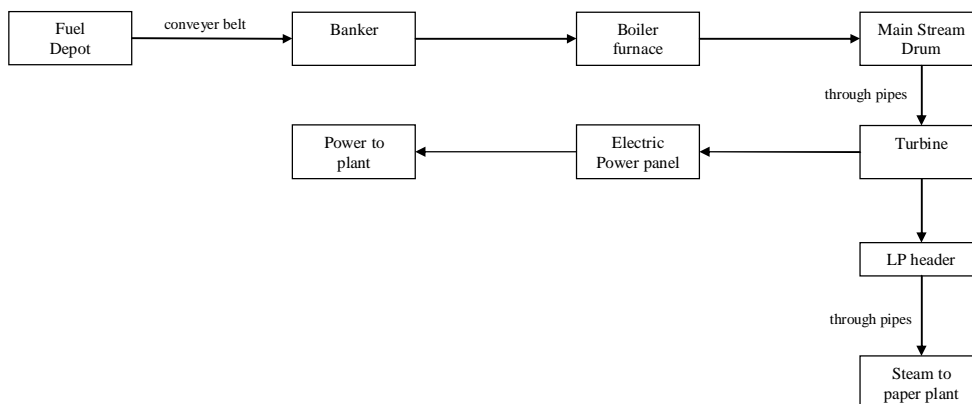


The manufacturing process of MS. Ingot consists of the following steps:

1. **Preparation of Furnace** — For preparation of furnace mix the Boric Acid with raiming mass & rain the furnace by the help of raiming tools with proper size of farmer and for top making use silicate with raiming mass and make the top.
2. **Scrap processing system** — Shorting of scrap under the supervision of a quality supervisor and making bundle-by-bundle machine oversize cutting by gas cutter.
3. **Production Division** — Fill up the scrap in furnace and start melting. Mix the sponge iron, cast iron and remove the slacks. The moulten metal is being prepared.
4. **Testing** — The sample of the molten metal is sent to the lab for testing of carbon, magnese, sulphur phoshphorus and other elements. As per the lab report the chemicals are mixed with the molten metal.
5. **Casting Division** - For making the ingots prepared the casting plate by B.P. set and fire clay and tondish by B P. tiles and fire clay. Fix the moulds on plate by help of crane. Start the poring from furnace on casting plate and cost the ingots.
6. **Finishing of Ingots** — Lift the moulds by crane and ingots by magnet crane. Stacking of ingots by hemmer man and stock in exercise godown. Runner and riser send for remelting.

(C) POWER PLANT

Our company has installed 12 MW co-generation power plant at our premise. Our power plant is coal and husk based plant and using backpressure cum condensing turbine for generation. The steam is then used in production of papers for drying and other purposes. Following is the process of power generation at our plant.



For generation of power fuel is transferred continuously through conveyor belt to bunker and generating heat for the boiler in the furnace which is continuously collected in main steam drum and then pass through turbine using pipe transfer to generate electricity. The high steam pressure after passing through turbine which produces electricity and also reduces the steam pressure which is used in pulp mill and paper machine. The steam is then condensed to water in condenser and reused in steam generation process. Electricity generated is used for manufacturing bypassing through electric power panel.

Infrastructure Facilities

Power

The Company is almost self-dependent in relation to power. The company is producing power on its own for captive consumption purposes, which is cheaper and consistent as compared to other sources. At present the Company is producing power through a 12 MW Turbine, Boiler, DG sets etc. It has also 3050 KVA power load from U P Power Corporation for meeting power requirement of its steel plant and 1250 KVA power load for paper plant.

Water

The Company's present water requirement is being catered through bore wells located at different locations inside the plant premises.

Fuel

The Company has entered into a Fuel Supply Agreement ("FSA") with North Eastern Coalfields, Coal India Limited for the supply of coal of 31000 tonnes per year which is the Annual Contracted Quantity (ACQ). The ACQ shall be delivered in equal monthly quantities during the year as per the prices determined by Coal India. Additional requirement of Coal is procured from the local area. The company also uses husk in case of shortage of coal, which is procured from nearby area.

Export Possibilities and Export Obligations

There are no export obligations on our Company. Our company is currently supplying its product in domestic market. Company is also exporting a small portion of its production.

Raw material procurement

The key raw material used by our company for manufacturing for kraft paper /multi layer kraft paper is waste paper (recycle fibre) which is imported as well as procured from domestic market. For power generation the company mainly uses coal as the main fuel and in case of shortage of coal uses rice husk. The Company has coal linkage with Coal India which assures a supply of upto 31000 tonnes of coal per year. The main chemicals used by company Alum, Rosin and Starch which are also easily available in local market. The key raw material for Steel ingots viz. Sponge iron, is procured mainly from Bihar, Chhattisgarh and Orissa and Scrap is procured from local area.

Most of our raw material is transported to our factory either in our own transportation facility of 20 trucks or using third party transportation facility.

Technology & Inputs

The present technology used in all our process is proven one, well known and fairly accessible. Our company is not having any technology agreement/collaboration for any of its processes. No significant changes are expected in the present technology in our processes. However, all our process require suitable modifications/ adjustment for efficiency from time to time, which are easily performed without having any effect on the overall performance of the units.

Collaboration

At present, we have not entered into any technical or other collaboration.

Current Capacity & Capacity Utilization

Following table put forth our product wise capacity utilization:

S. No.	Particulars	Installed Capacity (MT)	Capacity utilization (MT)
1.	Kraft paper	90000	80000
2.	Steel (M.S. Ingots)	23760	13000

Approach to Market and Marketing Set-up:

We have employed more than 10 marketing personnel who are responsible for maintaining and developing relationship with our customers. We have appointed more than 100 distributors for the supplying our products to various smaller customers.

Manpower

Our total manpower employed by us as on date is about 279 including 59 contract labourers.

Category	No. of Personnel
Directors	02
CFO	01
Vice President	02
DGM/AGM/Sr. MGR/MGR	15
Dy. Manger/ Asstt. Manger	12
Junior Staff (Tech+ Comm.)	81
Workers	91
Casual Workers	11
Apprentices	05
Contract Workers	59
Total	279

As our plant is automatic, most of our employees are either skilled workers or managerial. We may be not require additional manpower.

Our Insurance

Our Company has taken out various insurance policies in respect of its business, its assets such as its stocks, machinery, buildings, furniture, vehicles and its employees for our different office and factory locations. The various insurance policies obtained by us are in the usual course of our business. The details of the policies are, as under:

(Rs. in Lakhs)

Type of Insurance	No. of Policies	Amount Insured
Machine Breakdown policy	07	7594.11
Standard Fire & Special Perils Policy incl. Factory Building	07	29327.23
Workmen Compensation	01	345.00
Marine Cargo	03	15300.00
Stores (In & Out)	02	1300.00
Money in Transit	01	1000.00
Loss of Profit	01	3880.00
Total	22	58746.34

PRODUCT AND END USERS

Products	Application
Kraft Paper	In corrugation industry for manufacturing various types of packaging boxes and packaging products
Steel (M.S. Ingots)	Used by rolling mills for production of various types of bars angle etc.

We own the property in Kanth Road, Village Aghwanpur, Dist-Moradabad admeasuring to 14.86 hectares where our Factory, Office, Guest House, Staff Colony, Captive Power Plant etc are located.

SCHEME OF ARRANGEMENT

The Hon'ble High Court of Judicature at Allahabad vide its Order dated October 29, 2013 has approved the Scheme of Arrangement among Genus Paper Products Limited (GPPL), Genus Power Infrastructures Limited (GPIL) and Genus Paper & Boards Limited (GPBL) and their respective Shareholders and Creditors, whereby the 'Non Power Infrastructure Undertaking/Business' stands demerged from GPIL and has been transferred to and vested in our Company with effect from April 01, 2011 (i.e. the Appointed Date under the Scheme) pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956, as contemplated under the Scheme.

The Scheme is operative from the Appointed Date i.e., April 01, 2011. However it came into effect from the date of filing of Form 21 with the Registrar of Companies, Kanpur, which was November 29, 2013.

RATIONALE AS PROVIDED IN THE SCHEME:

Under the Scheme of Arrangement ("Scheme"), as a first step, the whole of the business and undertaking comprising all property, assets, rights, liabilities, employees etc of Genus Paper Products Limited (hereinafter referred to as "GPPL" or the "Transferor Company") on the Appointed Date i.e. April 01, 2011, was merged and vested in Genus Power Infrastructures Limited (hereinafter referred to as "GPIL" or the "Demerged Company"), and in consideration for the merger, GPIL allotted fresh equity shares to the shareholders of GPPL in the ration of 24 new equity shares of Re. 1 each for every 100 equity shares of Re.1 each of GPPL as on the record date i.e. 17 December, 2013 and as a next step, the whole of the business and undertaking comprising all property, assets, rights, liabilities, employees etc of 'Non Power Infrastructure Undertaking' of GPIL on the Appointed Date i.e. April 01, 2011, was de-merged and vested into Genus Paper & Boards Limited ("GPBL" or the "Resulting Company") and in consideration for the de-merger, GPBL allotted fresh equity shares to the shareholders of GPIL in the ration of 1 new equity shares of Re. 1 each for every 1 equity share of Re 1/- each of GPIL as on the record date i.e. January 11, 2014. Pursuant to the demerger and allotment of fresh equity shares, our company ceased to be a subsidiary of GPIL.

The composite scheme is in the interests of the shareholders, creditors and employees of each of the companies as it would result in enhancement of shareholder's value, enable further restructuring of the businesses, leading to operational efficiencies and synergies and facilitate the management of each company to vigorously pursue growth and expansion opportunities.

The full text of the Scheme of Arrangement is as under:

This Scheme is divided into following sections:

Section A:	Introduction and definitions
Section B:	Amalgamation of GPPL into GPIL
Section C:	Demerger of 'Non Power Infrastructure Undertaking' of GPIL into GPBL
Section D:	General terms and conditions for restructuring

SECTION A – INTRODUCTION AND DEFINITIONS

- a. GPPL was incorporated in 1996 as 'DSM Papers Limited'. The name of the company was changed to 'Kailash Paper Products Limited' in 2002. The name of the company was changed to its present name ie Genus Paper Products Limited in 2006. The registered office of GPPL is situated in Uttar Pradesh and the main business activity of GPPL is to carry on the manufacturing and trading of all kinds and classes of papers and boards and also engaged in steel business.
- b. GPIL was incorporated in 1992 as 'Genus Overseas Electronics Limited'. The name of the company was changed to its present name ie Genus Power Infrastructures Limited in 2007. The company was incorporated in the state of Rajasthan and the registered office of the company was shifted from the state of Rajasthan to the National Capital

Territory of Delhi vide order of Company Law Board dated January 14, 2005 and certificate issued by the Registrar of Companies, Jaipur and Registrar of Companies, Delhi on February 18, 2005 and February 25, 2005 respectively. GPIL is listed on the BSE Limited and the National Stock Exchange of India Limited.

GPIL is primarily engaged in the business of manufacturing and distribution of Electronic Energy Meters, Power Transmission & Distribution Management Projects, Printed Circuit Boards, Hybrid microcircuits, Inverters, Batteries, Transformers, Home UPS and Online UPS across India as well as globally and the business of managing, supervising, controlling and holding investments in companies.

- c. GPBL is a wholly owned subsidiary of GPIL and has been incorporated for carrying on the business of manufacturing and trading of all kinds and classes of papers and boards and steel business.

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- (a) **“Act” or “the Act”** means the Companies Act, 1956 or any statutory modification, amendment or re-enactment thereof.
- (b) **“Appointed Date”** means April 1, 2011 or such other date as may be approved by the Hon'ble High Court of Delhi at New Delhi and Hon'ble High Court of Allahabad.
- (c) **“Board of Directors”** of Genus Power Infrastructures Limited, Genus Paper Products Limited and Genus Paper & Boards Limited shall include any committee thereof.
- (d) **“Demerged Undertaking”** means ‘Non Power Infrastructure Undertaking’ of GPIL on a going concern basis, comprising inter-alia all business other than the ‘Remaining Business’ and including the business activity of manufacturing and trading of all kinds and classes of papers and boards and also steel business, along with the activity of managing, supervising, controlling and making non power investments, including all related assets, liabilities, rights and obligations and shall include (without limitation):
- any and all the properties and assets whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and movable plant and machinery, leasehold or freehold, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work-in-progress, raw materials, finished goods, vehicles, stores and spares, loose tools, sundry debtors furniture, fixtures, fittings, office equipment, telephone, facsimile and other communication facilities and equipments, electricals, appliances, accessories, deferred tax assets and investments related to the Demerged Undertaking of GPIL;
 - any and all liabilities present and future including the contingent liabilities related to the Demerged Undertaking of GPIL;
 - any and all rights and licenses including, all assignments and grants thereof, all permits, quotas, holidays, benefits, clearances and registrations whether under Central, State or other laws, rights (including rights/ obligations under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits (including MODVAT/ CENVAT, Service Tax credits, MAT credit), tax deferrals, advance tax credit, deferred tax assets, incentives or schemes of central/ state/ local governments, certifications and approvals, regulatory approvals, entitlements, other licenses, environmental clearances, municipal permissions, approvals, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank balances, bank accounts, reserves, deposits, advances, recoverable, receivables, benefit of insurance claims, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by GPIL, funds belonging to or proposed to be utilised by GPIL, privileges, all other claims, rights and benefits (including under any powers of attorney issued by GPIL or any powers of attorney issued in favour of GPIL or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority, to which GPIL was a party), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits duties and

obligations of all agreements, contracts and arrangements and all other interests related to the Demerged Undertaking of GPIL;

- all employees who are on the payroll of GPIL immediately preceding the Effective Date related to the Demerged Undertaking of GPIL;
- any and all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, share application money, earnest moneys and/ or security deposits paid or received by GPIL related to the Demerged Undertaking;
- any and all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs along with their licenses, manuals and back up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, and other data and records whether in physical or electronic form related to the Demerged Undertaking of GPIL;
- all intellectual property rights including all trademarks, trademark applications, trade names, patents and patent applications, domain names, logo, websites, internet registrations, copyrights, trade secrets, service marks, quality certifications and approvals and all other interests exclusively relating to the Demerged Undertaking of GPIL.

It is intended that the definition of Demerged Undertaking under this clause would enable the transfer of all property, assets, rights, liabilities, employees etc of GPIL related to the Demerged Undertaking to GPPL pursuant to this Scheme.

- (e) **“Effective Date”** means the last of the dates on which all the conditions and matters referred to in clause 23 hereof have been fulfilled. References in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective Date.
- (f) **“Genus Paper Products Limited” or “Transferor Company” or “GPPL”** means Genus Paper Products Limited, a company incorporated under the Act and having its registered office at Kanth Road, Village Aghwanpur, Moradabad, Uttar Pradesh - 244001.
- (g) **“GPPL Undertaking”** means and includes the whole of the business and undertaking of GPPL being carried on by GPPL and shall include (without limitation):
- any and all the properties and assets whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and movable plant and machinery, leasehold or freehold, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work-in-progress, raw materials, finished goods, vehicles, stores and spares, loose tools, sundry debtors furniture, fixtures, fittings, office equipment, telephone, facsimile and other communication facilities and equipments, electricals, appliances, accessories, deferred tax assets and investments;
 - any and all liabilities present and future including the contingent liabilities;
 - any and all rights and licenses including, all assignments and grants thereof, all permits, quotas, holidays, benefits, clearances and registrations whether under Central, State or other laws, rights (including rights/ obligations under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits (including MODVAT/ CENVAT, Service Tax credits, MAT credit), tax deferrals, advance tax credit, deferred tax assets, incentives or schemes of central/ state/ local governments, certifications and approvals, regulatory approvals, entitlements, other licenses, environmental clearances, municipal permissions, approvals, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank balances, bank accounts, reserves, deposits, advances, recoverable, receivables, benefit of insurance claims, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by GPPL, funds belonging to or proposed to be utilised by GPPL, privileges, all other claims, rights and benefits (including under any powers of attorney issued by GPPL or any powers of attorney issued in favour of GPPL or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority, to which GPPL was a party), powers and facilities of

every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits duties and obligations of all agreements, contracts and arrangements and all other interests;

- all employees who are on the payroll of GPPL immediately preceding the Effective Date;
- any and all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, share application money, earnest moneys and/ or security deposits paid or received by GPPL;
- any and all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs along with their licenses, manuals and back up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, and other data and records whether in physical or electronic form;
- all intellectual property rights including all trademarks, trademark applications, trade names, patents and patent applications, domain names, logo, websites, internet registrations, copyrights, trade secrets, service marks, quality certifications and approvals and all other interests exclusively relating to GPPL.

It is intended that the definition of GPPL Undertaking under this clause would enable the transfer of all property, assets, rights, liabilities, employees etc of GPPL to GPIL pursuant to this Scheme.

- (h) **“Genus Paper & Boards Limited” or “Resulting Company” or “GPBL”** means Genus Paper & Boards Limited, a company incorporated under the Act and having its registered office at Kanth Road, Village Aghwanpur, Moradabad, Uttar Pradesh - 244001.
- (i) **“Genus Power Infrastructures Limited” or “Demerged Company” or “GPIL”** means Genus Power Infrastructures Limited, a company incorporated under the Act and having its registered office at D-116, Okhla Industrial Area, Phase-I, New Delhi - 110020. The shifting of the registered office of GPIL from Delhi to Uttar Pradesh is in progress and the same has already been approved by the Board of Directors of GPIL on July 27, 2011 and shareholders vide annual general meeting dated September 10, 2011. Further, the petition for shifting of the registered office has been filed by GPIL with the Hon’ble Company Law Board on December 12, 2011.
- (j) **“High Court”** shall mean the Hon’ble High Court of Delhi at New Delhi in context of GPIL and Hon’ble High Court of Allahabad in context of GPPL and GPBL (or such other Court/ Bench having jurisdiction over companies involved in the Scheme). The jurisdictional High Court for GPIL shall be Hon’ble High Court of Allahabad, post shifting of the registered office of GPIL from Delhi to Uttar Pradesh.
- (k) **“Scheme of Arrangement” or “this Scheme” or “the Scheme”** means this Scheme of Arrangement in its present form or with any modifications made under Clause 25 of the Scheme.
- (l) **“Specified Date”** means the date to be fixed by the Board of Directors of GPIL for the purpose of determining the shareholders of GPPL and GPIL to whom shares will be allotted pursuant to Clause 6 and 12 of this Scheme.
- (m) **“Remaining Business” or “Power Infrastructure Business”** in case of GPIL shall mean the business of manufacturing and distribution of Electronic Energy Meters, Power Transmission & Distribution Management Projects, Printed Circuit Boards Hybrid microcircuits, Inverters, Batteries, Transformers, Home UPS and online UPS across India as well as globally and remaining businesses, divisions, employees, contracts, rights, assets and liabilities other than the Demerged Undertaking.

1A. EXPRESSIONS NOT DEFINED IN THIS SCHEME

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time. In particular, wherever reference is made to High Court in the Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority as may be vested with the powers of the High Court under the Act.

2. DATE OF COMING INTO EFFECT

The Scheme set out herein in its present form or with such modifications or amendments as directed by the High Court or other appropriate authority shall be effective from the Appointed Date herein, although it shall be operative from the Effective Date.

4. COMPLIANCE WITH TAX LAWS

This Scheme,

- (i) in so far as it relates to the Amalgamation of GPPL into GPIL, has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including Section 2(1B) of the Income tax Act, 1961,
- (ii) in so far as it relates to the demerger of 'Non Power Infrastructure Undertaking' of GPIL into GPBL, has been drawn up to comply with the conditions relating to "Demerger" as specified under the tax laws, including Section 2(19AA) of the Income tax Act, 1961,

and all other relevant Sections (including Section 47 and Section 72A) of the Income tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme, and the power to make any such amendments shall vest with the Board of Directors of GPIL.

SECTION B – AMALGAMATION OF GPPL INTO GPIL

5. TRANSFER AND VESTING OF GPPL INTO GPIL

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the entire GPPL Undertaking shall, pursuant to the provisions contained in section 394(2) of the Act and other provisions of law for the time being in force and without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in GPIL on the Appointed Date, so as to become as and from the Appointed Date, the undertaking of GPIL, in the following manner:

- (a) With effect from the Appointed Date, the GPPL Undertaking, comprising all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of section 391 read with section 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in GPIL so as to become as and from the Appointed Date the assets and liabilities of GPIL and to vest in GPIL all the rights, title, interest or obligations of GPPL therein. All assets acquired by GPPL after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in GPIL upon the coming into effect of the Scheme. As regards transfer of specified movable assets, clauses (b) and (c) below provide for the physical mode of effecting transfer.
- (b) All the movable assets including investments, cash in hand and assets otherwise capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, and stand vested in GPIL as an integral part of the merging undertaking of GPPL. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of GPIL and the Board of Directors of GPPL within thirty days from the Effective Date or such other extended date as may be mutually agreed.
- (c) All debts, loans and advances recoverable in cash or in kind or for value to be received, deposits, outstanding and receivables of GPPL other than the assets specified in sub-clause (b) above, shall on and from the Appointed Date stand transferred to and vested in GPIL without any notice or other intimation to the debtors (although GPIL may, if so deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in GPIL), and the debtors shall be obliged to make payments to GPIL on and after the Effective Date.
- (d) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of GPPL shall also, under the provisions of sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to GPIL so as to become as and from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of GPIL and it shall not be necessary to obtain

the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.

- (e) With effect from the Appointed Date, any statutory licenses, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, entitlements or rights required to carry on the operations of GPPL or granted to GPPL shall stand vested in or transferred to GPIL without further act or deed and shall be appropriately transferred or assigned by the statutory authorities concerned herewith in favour of GPIL upon vesting of the businesses pursuant to this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of GPPL shall vest in and become available to GPIL pursuant to this Scheme.
- (f) The transfer and vesting of undertaking of GPPL as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of GPPL.

Provided however, any reference in any security documents or arrangements (to which GPPL is a party) to the assets of GPPL offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to GPPL as are vested in GPIL by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of GPPL or any of the assets of GPIL.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of GPIL shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of GPPL vested in GPIL.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by GPPL which shall vest in GPIL by virtue of the amalgamation of GPPL with GPIL and GPIL shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

- (g) Upon the coming into effect of this Scheme, GPIL shall be deemed to have been carrying on the business of GPPL with effect from the Appointed Date and be entitled to avail/ claim all the benefits tax credits (including but not limited to credit in respect of taxes paid or deducted or MAT), registrations, permissions, licenses, concessions, exemptions, benefits under the various laws, as applicable with respect to GPPL, as were being availed/ claimed by GPPL.
- (h) Loans or other obligations, if any, due between and amongst GPPL and GPIL shall stand discharged and there shall be no liability in that behalf.
- (i) Where any of the liabilities and obligations of GPPL as on the Appointed Date deemed to be transferred to GPIL have been discharged by GPPL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the GPPL and all loans raised and used and all liabilities and obligations incurred by GPPL for the operations of GPPL after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of GPIL and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to GPIL and shall become its liabilities and obligations.
- (j) Upon the coming into effect of this Scheme, in so far as the security in respect of the liabilities of GPPL as on the Appointed Date is concerned, it is hereby clarified that GPPL and GPIL shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.
- (k) Upon the coming into effect of this Scheme, the borrowing limits of GPIL in terms of section 293(1) (d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of GPPL which are being transferred to GPIL pursuant to the Scheme, such limits being incremental to the existing limits of GPIL, with effect from the Appointed Date.
- (l) Upon the coming into effect of this Scheme, GPIL shall be entitled to use all packaging, labels, point of sale material, sign board, samples, closures, video clips, other publicity material, etc, lying unused and which GPPL was otherwise entitled to use under any statutes/ regulations, till such time as all of such packaging, labels, closures, etc are exhausted.

6. ISSUE OF SHARES

- 6.1 Upon coming into effect of this Scheme, in consideration of the amalgamation of GPPL into GPIL pursuant to this Scheme, GPIL shall, without any further act or deed and without any further payment, issue and allot fully paid up equity shares (hereinafter also referred to as the "**Equity Shares on Amalgamation**"), to the shareholders of GPPL whose name is recorded in the register of members of GPPL as holding equity shares on the Specified Date, in the following ratio:
- 24 equity shares of face value of Re 1/- each of GPIL be issued at par for every 100 equity share of Re 1/- each (face value per share) of GPPL.
- 6.2 The share entitlement ratio specified in Clause 6.1 above shall be suitably adjusted for changes in the capital structure of either GPPL or GPIL post the date of the Board Meeting approving the Scheme provided the changes relate to matters such as bonus issue, split of shares and consolidation of shares. All such adjustments to the share entitlement ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of both GPPL and GPIL.
- 6.3 The Equity Shares on Amalgamation to be issued and allotted pursuant to Clause 6.1, shall in all respects, rank *pari passu* with the existing equity shares of GPIL, if any, for dividend and all other benefits and on all respects with effect from the date of their allotment except that, in respect of dividend that may be declared, such shares will be entitled for such dividend from the Appointed Date.
- 6.4 In case any shareholder's holding in GPPL is such that the shareholder becomes entitled to a fraction of an equity share in GPIL, the number of shares to be issued to such shareholder shall be rounded off to next immediate whole number and GPIL shall not issue such fractional portion.
- 6.5 The Equity Shares on Amalgamation to be issued and allotted in terms hereof will be subject to the relevant Memorandum and Articles of Association of GPIL.
- 6.6 GPIL shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment by GPIL of Equity Shares on Amalgamation to the shareholders of GPPL.
- 6.7 The Equity Shares on Amalgamation of GPIL issued in terms of Clause 6.1 shall, subject to the provisions of the listing agreement and payment of the appropriate fee, be listed on the stock exchanges where the shares of GPIL are listed. GPIL would obtain such approvals as may be necessary for the aforesaid listing on recognized stock exchange(s) by making suitable applications in this behalf.
- 6.8 Insofar as the allotment of shares pursuant to Clause 6.1 is concerned, each member of GPPL shall have the option to be exercised, by giving a notice to GPIL, on or before such date as may be determined by the Board of Directors of GPIL, to receive the shares either in physical certificate form or in dematerialized form. In the event GPIL does not receive such notice or requisite details in respect of any member, GPIL may allot shares in dematerialized form to the extent it has the necessary details of the account holder for issue of shares in dematerialized form and in respect of other members, issue share certificates in physical form. In respect of those members exercising the option to receive the shares in dematerialized form, such members shall have opened and maintained an account with a depository participant, and shall provide such other confirmation, information and details as may be required.
- 6.9 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of GPPL, the Board of Directors of GPIL, shall be empowered in appropriate cases, even subsequent to the Specified Date, to effectuate such a transfer in GPPL, as if such changes in registered holder were operative as on the Specified Date, in order to remove any difficulties arising to GPPL/ GPIL.
- 6.10 Upon the coming into effect of this scheme, all the existing shares/share certificates pertaining to shares of GPPL shall stand cancelled and will become invalid and shall cease to be tradable thereafter. The Board of Directors of GPIL may not require the shareholders of the GPPL to surrender their shares certificates before issuing the new share certificates for the shares allotted in terms of the scheme.
- 6.11 Notwithstanding anything to the contrary contained in this Scheme, all the equity shares held by GPIL in GPPL, on the last of the dates of the Orders of the High Court sanctioning the Scheme, shall, by virtue of this Scheme, and without any further act, instrument or deed, be deemed to be vested, as on the said date, to a trust (or an individual trustee

or board of trustees or corporate trustee herein after referred to as the "Trustees") to have and hold such shares together with all additions and accretions thereto exclusively for the benefit of GPIL shareholders subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the aforesaid trust (the "Genus Shareholders Trust" or such other name as may be deemed appropriate). In respect of such equity shares, as on the Specified Date, GPIL shall issue Equity Shares on Amalgamation to such trust to have and hold such shares together with all additions and accretions thereto exclusively for the benefit of GPIL shareholders.

Further, in respect of equity shares held by GPPL in GPIL on the Specified Date, the same shall also stand settled into aforesaid Trust by virtue of this Scheme, and without any further act, instrument or deed, with all additions and accretions thereto exclusively for the benefit of GPIL shareholders subject to the powers, provisions, discretions, rights and agreements contained in the Trust Deed.

- 6.12 It is proposed that the Trustees shall, keeping in view the prevailing market conditions and other objectives, sell, transfer, hold or dispose off the trust shares at such time or times and in such manner as may be considered expedient and shall remit the proceeds thereof to GPIL.
- 6.13 Upon the issue of Equity Shares on Amalgamation in terms of Clause 6.1, the provisions of Section 81 (1A) of the Act shall be deemed to have been complied with and such issue shall be an integral part of this Scheme

7. ACCOUNTING TREATMENT

- 7.1 GPIL shall, upon the coming into effect of this Scheme, record the assets and liabilities of GPPL vested in it pursuant to this Scheme, at the respective fair values thereof, at the close of business of the day immediately preceding the Appointed Date.
- 7.2 GPIL shall credit to its share capital account in its books of account the aggregate face value of Equity Shares on Amalgamation issued by it to the shareholders of GPPL, pursuant to this Scheme.
- 7.3 Subject to Clause 6.11 above, upon the coming into effect of this Scheme, any inter-company investment in the books of GPPL and GPIL, representing equity shares of GPPL and/ or GPIL will stand cancelled.
- 7.4 The excess of the value of the assets over the value of the liabilities of GPPL vested in GPIL pursuant to this Scheme, and as recorded in the books of account of GPIL shall, after adjusting the amount recorded in Clause 7.2 and subject to Clause 7.3 above and subject to clause 7.10 below, be recorded in capital reserve accounts of GPIL in accordance with Accounting Standard - 14 issued by The Institute of Chartered Accountants of India.
- 7.5 The deficit of the value of the assets over the value of the liabilities of GPPL vested in GPIL pursuant to this Scheme, and as recorded in the books of account of GPIL shall, after adjusting the amount recorded in Clause 7.2 and subject to Clause 7.3 above and subject to clause 7.10 below, be recorded in Goodwill account in the balance sheet of GPIL in accordance with Accounting Standard - 14 issued by The Institute of Chartered Accountants of India.

The Goodwill arising pursuant to this Clause shall be amortized over a period of five years, in accordance with prescribed Accounting Standards issued by The Institute of Chartered Accountants of India and generally accepted accounting principles.

- 7.6 Further, the debit balance in the Miscellaneous Expenditure Account of GPPL and GPIL at the close of business of the day immediately preceding the Appointed Date and Expenses of Scheme, shall be written off against the balance in the capital reserve account (including capital reserve created pursuant to clause 7.4 above) and/ or balance in the share premium account in the balance sheet of GPIL and the same will be effected as an integral part of the Scheme.
- 7.7 In this regard, it is hereby clarified that the Order of the High Court would be deemed for all purposes to be an Order under Section 78, 100-102 of the Act. Further, since the aforesaid reduction in capital reserve account and/ or share premium account in respect of GPIL would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid up share capital, the provisions of Section 101 of the Act, shall not be applicable. The necessary approvals to be obtained by GPIL from their respective shareholders and creditors, as required, for the Scheme shall always deemed to include the approval / consents required to be obtained under Section 100 of the Act and GPIL shall not, nor shall be obliged to, call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction, as contemplated herein.

- 7.8 Notwithstanding the reduction in capital of GPIL as aforesaid, in view of the consolidated financial position of GPIL post amalgamation, it shall not be required to add "and reduced" as suffix to its name.
- 7.9 In case of any differences in accounting policy between GPPL and GPIL, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 to ensure that the financial statements of GPIL reflect the financial position on the basis of consistent accounting policy. For this purpose, GPIL may make suitable adjustments and reflect the effect thereof in the Reserves as may be considered appropriate by the Board of Directors of GPIL.
- 7.10 GPIL shall account for the book value of investments vested in the 'Genus Shareholders Trust' as per Clause 6.11 of the Scheme as 'Interest in Trust' at such book value; and pursuant to the Scheme becoming effective, such book value shall not be adjusted/ revalued/ restated on receipt of Equity Shares on Amalgamation by the Genus Shareholders Trust in lieu of its holding in GPPL.
- 7.11 It is hereby clarified that pursuant to the provisions of Clause 5, all transactions during the period between the Appointed Date and Effective Date relating to GPPL would be duly reflected in the financial statements of GPIL, upon the coming into effect of this Scheme.
- 7.12 To the extent that there are inter-corporate loans or balances between GPPL and GPIL, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of GPIL for the reduction of any assets or liabilities, as the case may be.
- 7.13 For the removal of doubts, it is hereby clarified that there would be no accrual of interest or other charges in respect of any inter-company loans or balances between GPPL and GPIL, during the period between the Appointed Date and Effective Date. It is also clarified that there would be no accrual of income or expense on account of any other transactions, including inter alia any transactions in the nature of sale or transfer of any goods or services between GPPL and GPIL, during the period between the Appointed Date and the Effective Date.
- 7.14 Notwithstanding anything contained in Clause 7, the Board of Directors of GPIL is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956.

8. MERGER OF AUTHORIZED SHARE CAPITAL

- 8.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of GPPL shall stand transferred to and be merged with the authorized share capital of GPIL, without any liability for payment of any additional fees (including registrar of companies fees) or stamp duty. The capital clause in the Memorandum of Association of the company be replaced by the following clause –

"The Authorised Share Capital of the Company is Rs 832,000,000/- (Rupees Eighty Three Crore Twenty Lacs only) divided into 631,600,000 (Sixty Three Crore Sixteen Lacs only) Equity Shares of Re 1/- (Rupee One) each and 1,500,000 (Fifteen Lacs) Preference Shares of Rs 100/- (Rupees One Hundred) each and 504,000 (Five Lacs Four Thousand) 10% Redeemable Preference Shares of Rs 100/- (Rupees One Hundred) each."

- 8.2 It is hereby clarified that the consent of the shareholders of GPPL and GPIL to the Scheme shall be sufficient for purposes of effecting this amendment in the Memorandum and Articles of Association of GPIL and that no further resolution under Sections 16, and 94 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional registration fee, stamp duty, etc, be payable by GPIL.

9. DISSOLUTION OF GPPL

On the Scheme coming into effect, GPPL shall, without any further act or deed, stand dissolved without winding up.

SECTION C – DEMERGER OF 'NON POWER INFRASTRUCTURE UNDERTAKING' BY GPIL TO GPBL

10. TRANSFER OF DEMERGED UNDERTAKING

- 10.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking shall, pursuant to the provisions contained in Section 391 to 394 of the Act and other provisions of law for the time being in force and without any further act or deed, be demerged from GPIL, and be transferred to and vested in or be deemed

to have been transferred to and vested in GPBL, on a going concern basis at book values, so as to become as and from the Appointed Date, the undertaking of GPBL, and to vest in GPBL all the rights, title, interest or obligations of GPIL therein.

- 10.2 All assets acquired by GPIL after the Appointed Date and prior to the Effective Date in relation to or pertaining to Demerged Undertaking shall also stand transferred to and vested in GPBL upon the coming into effect of the Scheme. Where any of the assets of GPIL as on the Appointed Date deemed to be transferred to GPBL have been sold or transferred by GPIL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of GPBL.
- 10.3 In respect of such of the assets of the Demerged Undertaking (mentioned in Clause 10.1 and Clause 10.2 above) as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by GPIL and shall become the property of GPBL as an integral part of the Demerged Undertaking transferred to it. The aforesaid transfer shall be deemed to take effect from the Appointed Date without requiring any deed or instrument of conveyance for the same. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of GPIL and the Board of Directors of GPBL.
- 10.4 In respect of movables of the Demerged Undertaking other than those specified in Clause 10.3 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, deposits and balances, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this sub-clause, and such transfer shall be effected by notice to the concerned persons, or in any manner as may be mutually agreed by GPIL and GPBL.
- 10.5 In respect of such of the assets of the Demerged Undertaking other than those referred to in Clause 10.3 and 10.4 above, the same shall without any further act, instrument or deed be transferred to and vested in and/ or be deemed to be transferred to and vested in GPBL pursuant to the provisions of Section 394 of the Act and other applicable provisions of law. The mutation of the title to the immovable properties in favour of GPBL shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and it becoming effective in accordance with the terms hereof.
- 10.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations and no-objection certificates obtained by GPIL/ GPPL for the operations of the Demerged Undertaking in terms of the various statutes and/ or schemes of Union and State Governments, shall be available to and vest in GPBL, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of GPBL. Since the Demerged Undertaking will be transferred to and vested in GPBL as a going concern without any break or interruption in the operations thereof, GPBL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations and no-objection certificates and to carry on and continue the operations of the Demerged Undertaking on the basis of the same upon this Scheme becoming effective.

Further, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licenses, certificates, authorities, powers of attorneys given by, issued to or executed in favour of GPIL/ GPPL, and the rights, benefits, subsidies, special status under the same shall, in so far as they relate to the Demerged Undertaking and all other interests relating to activities carried on by the Demerged Undertaking, and all certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the Demerged Undertaking, be transferred to and vested in GPBL.

- 10.7 It is clarified that, upon the coming into effect of the Scheme, the following liabilities and obligations of GPIL as on the Appointed Date and being a part of the Demerged Undertaking shall, without any further act or deed be and shall stand transferred to GPBL:
- (a) the liabilities which arose out of the activities or operations of the Demerged Undertaking;
 - (b) specific loans or borrowings raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking;

- (c) in cases other than those referred to in sub-clauses (a) and (b) above, proportionate part of the general or multipurpose borrowings and liabilities of GPIL allocable to the Demerged Undertaking in the same proportion in which the value of the assets transferred under this Scheme bears to the total value of the assets of GPIL immediately before the demerger.
- 10.8 All loans raised and used and all liabilities and obligations incurred by GPIL for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of GPBL and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to GPBL and shall become its liabilities and obligations.
- 10.9 Upon the coming into effect of this Scheme, the balances as on the Appointed Date of general or multipurpose borrowings shall be transferred to and assumed by GPBL in the proportion provided in Clause 10.7 (c) above. Thus, the primary obligation to redeem or repay such transferred liabilities shall be that of GPBL. However, without prejudice to such transfer of proportionate liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, GPBL may discharge such liability (including accretions thereto) by making payments on the respective due dates to GPIL, which in turn shall make payments to the respective creditors.
- 10.10 Upon the coming into effect of this Scheme, in so far as the security in respect of the liabilities of GPIL as on the Appointed Date is concerned, it is hereby clarified that GPIL and GPBL shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.
- Provided however, any reference in any security documents or arrangements (to which GPIL is a party) to the assets of GPIL offered or agreed to be offered as security for any financial assistance or obligations pertaining to the Demerged Undertaking, shall be construed as reference only to the assets pertaining to the Demerged Undertaking of GPIL as are vested in GPBL by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of GPIL or any of the assets of GPBL, save and except as may be otherwise agreed between GPIL, GPBL and the respective lender(s).
- Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of GPBL shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of GPIL vested in GPBL.
- Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by GPIL which shall vest in GPBL by virtue of the demerger of the Demerged Undertaking into GPBL and GPBL shall not be obliged to create any further or additional security thereof after the Scheme has become operative.
- 10.11 Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, GPIL and GPBL shall execute instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies, to give formal effect to the above provisions, if required.
- 10.12 Upon the coming into effect of this Scheme, the borrowing limits of GPBL in terms of Section 293 (1) (d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of GPIL which are being transferred to GPBL pursuant to the Scheme, such limits being incremental to the existing limits of GPBL, with effect from the Appointed Date.
- 10.13 With effect from the Appointed Date, any statutory licenses, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, entitlements or rights required to carry on the operations of Demerged Undertaking of GPIL or granted to GPIL for the Demerged Undertaking shall stand vested in or transferred to GPBL without further act or deed and shall be appropriately transferred or assigned by the statutory authorities concerned herewith in favour of GPBL upon vesting of the businesses pursuant to this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of Demerged Undertaking of GPIL shall vest in and become available to GPBL pursuant to this Scheme.

- 10.14 It is also agreed that GPIL and GPBL shall mutually discuss and enter into suitable arrangements for sharing of corporate name, common trademarks, common facilities or any other common intellectual property rights to the extent considered necessary.

11. REMAINING BUSINESS TO CONTINUE WITH GPIL

- 11.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by GPIL.

- 11.2 Further,

- a) all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against GPIL under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of GPIL in respect of the Remaining Business) shall be continued and enforced by or against the GPIL after the Effective Date. GPBL shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against GPIL, which relate to the Remaining Business.
- b) If proceedings are taken against GPBL in respect of the matters referred to in sub clause (a) above, it shall defend the same in accordance with the advice of the GPIL and at the cost of GPIL, and the latter shall reimburse and indemnify GPBL against all liabilities and obligations incurred by GPBL in respect thereof.

- 11.3 With effect from the Appointed Date and up to and including the Effective Date:

- a) GPIL shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- b) all profits accruing to GPIL or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of GPIL; and
- c) all assets and properties acquired by GPIL in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in GPIL.

- 11.4 Upon the coming into effect of this Scheme, GPBL shall be entitled to use all packaging, labels, point of sale material, sign board, samples, closures, video clips, other publicity material, etc, lying unused and which GPIL/ GPPL were otherwise entitled to use under any statutes/ regulations, till such time as all of such packaging, labels, closures, etc are exhausted.

12. ISSUE OF SHARES ON DEMERGER

- 12.1 Upon the coming into effect of the Scheme and in pursuance of the demerger of the Demerged Undertaking into GPBL pursuant to this scheme, GPBL shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the **"New Equity Shares on Demerger"**) at par on a proportionate basis to each member of GPIL whose name is recorded in the register of members of GPIL as holding equity shares on the Specified Date in the ratio of 1:1 i.e., 1 fully paid-up equity shares of Re 1 each of GPBL to be issued for every 1 fully paid equity shares of Re 1 each of GPIL, held by the member.

Other terms

- 12.2 The New Equity Shares on Demerger to be issued and allotted pursuant to Clause 12.1 respectively shall in all respects, rank pari passu from the Specified Date with the existing equity shares of GPBL, save and except in relation to dividends, if any, to which they may be entitled to, as and from the Appointed Date.
- 12.3 The New Equity Shares on Demerger to be issued and allotted in terms thereof will be subject to the relevant Memorandum and Articles of Association of GPBL. The New Equity Shares of GPBL issued in terms of Clause 12.1 shall, subject to completion of applicable procedures, be listed on the stock exchanges where GPIL is currently listed.

- 12.4 The share entitlement ratio specified in Clause 12.1 shall be suitably adjusted for changes in the capital structure of GPIL post the date of the Board Meeting approving the Scheme provided the changes relate to matters such as bonus issue, split of shares and consolidation of shares. All such adjustments to the share entitlement ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of both GPIL and GPBL.
- 12.5 Insofar as the allotment of shares pursuant to Clause 12.1 is concerned, each member of GPIL shall have the option to be exercised, by giving a notice to GPBL, on or before such date as may be determined by the Board of Directors of GPIL, to receive the shares either in physical certificate form or in dematerialized form. In the event GPBL does not receive such notice or requisite details in respect of any member, GPBL may allot shares in dematerialized form to the extent it has the necessary details of the account holder for issue of shares in dematerialized form and in respect of other members, issue share certificates in physical form. In respect of those members exercising the option to receive the shares in dematerialized form, such members shall have opened and maintained an account with a depository participant, and shall provide such other confirmation, information and details as may be required.
- 12.6 Equity shares to be issued pursuant to Clause 12.1 of this Scheme, in respect of any equity shares of GPIL which are held in abeyance under the provisions of Section 206A of the Act or otherwise, shall pending allotment or settlement of dispute by order of Court or otherwise be held by the trustees appointed by GPBL.
- 12.7 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of GPIL, the Board of Directors of GPIL shall be empowered in appropriate cases, even subsequent to the Specified Date or the Effective Date, as the case may be, to effectuate such a transfer, as if such changes in registered holder were operative as on the Specified Date.
- 12.8 Upon the issue of New Equity Shares on Demerger in terms of the Scheme, the provisions of Section 81 (1A) of the Act shall be deemed to have been complied with and such issue shall be an integral part of this Scheme.
- 12.9 The New Equity Shares on Demerger allotted pursuant to the Scheme (as per clause 12.1 above) shall remain frozen in the depositories system till listing/trading permission is given by the BSE Limited and the National Stock Exchange of India Limited.
- 12.10 There shall be no change in the shareholding pattern (except as envisaged as per clause 12.1 above) or control in GPBL between the record date and listing which may affect the status of approval received from the BSE Limited and the National Stock Exchange of India Limited.

13 ACCOUNTING TREATMENT ON DEMERGER

13.1 Treatment in the books of GPIL

- (a) Upon the coming into effect of this Scheme, with effect from the Appointed Date, the book value of the assets and liabilities of the Demerged Undertaking, as on the Appointed Date, transferred to GPBL shall be reduced from the book value of the assets and liabilities of GPIL. In so far as the accounts representing common or multipurpose borrowings referred to in Clause 10.7 is concerned, they shall stand reduced by the amounts transferred to GPBL in accordance with the provisions of this Scheme.
- (b) The aggregate of the net assets of the Demerged Undertaking standing in the books of accounts of GPIL transferred to GPBL on the Appointed Date, shall be adjusted against the following, in the order specified:
- (i) Capital Reserve Account;
 - (ii) Capital Redemption Reserve;
 - (iii) Securities Premium Account;
 - (iv) General Reserve; and
 - (v) Credit balance of Profit & Loss Account.

with no further act or deed on the part of GPIL in accordance with Section 100, read together with Section 78, of the Act.

13.2 Treatment in the books of GPBL

- (a) Upon the coming into effect of this Scheme, GPBL shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective book values thereof appearing in the books of account of GPIL as on the Appointed Date.
 - (b) The difference between the assets and liabilities transferred pursuant to the demerger of the Demerged Undertaking to GPBL, duly adjusted for expenses incurred in connection with the Scheme, miscellaneous expenditure, if any, face value of the New Equity Shares on Demerger issued pursuant to Clause 12.1, shall be recorded as Business Reconstruction Reserve in the books of GPBL and the same shall be treated as free reserves of GPBL.
- 13.3 It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Demerged Undertaking would be duly reflected in the financial statements of GPBL, upon the Scheme coming into effect.
- 13.4 Notwithstanding anything contained in Clause 13 hereinabove, the Board of Directors of the companies are authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956.
- 13.5 To the extent that there are inter-corporate loans, other outstanding amounts or transactions between GPIL and GPBL, including those between Appointed Date and Effective Date, it is agreed by GPIL and GPBL that all the requirements of the Act and any other applicable law with respect to such amounts shall be deemed to have been duly complied with.

SECTION C – GENERAL TERMS AND CONDITIONS FOR RESTRUCTURING

14 BUSINESS AND PROPERTY IN TRUST

- 14.1 Upon the coming into effect of the Scheme, as and from the Appointed Date and upto and including the Effective Date, GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking):
- (a) shall be deemed to have been carrying on all the business and activities relating to the GPPL Undertaking/ Demerged Undertaking and stand possessed of all the assets, rights, title, interest and authorities of the GPPL Undertaking/ Demerged Undertaking for and on account of, and in trust for, GPIL and GPBL respectively; and
 - (b) Any profits accruing to GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking), or losses, charges, costs, expenses arising or incurred by them (including the effect of taxes, if any, thereon, including but not limited to advance tax, tax deducted at source, Minimum Alternate Tax credit, taxes withheld/paid in a foreign country, tax credits etc) relating to the GPPL Undertaking/ Demerged Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of GPIL and GPBL respectively.
- 14.2 GPPL and GPIL undertakes that it will from the date of approval of the Scheme by its Board of Directors and also from approval of the Board of Directors of GPBL, or the Appointed Date, whichever is earlier, and up to and including the Effective Date preserve and carry on the GPPL Undertaking/ Demerged Undertaking with diligence and prudence and agree that it will not, in any material respect, without the prior written consent of GPIL or GPBL as the case may be, alienate, charge or otherwise deal with or dispose off the GPPL Undertaking/ Demerged Undertaking or any part thereof except in the ordinary course of business or undertake substantial expansion of the GPPL Undertaking/ Demerged Undertaking, other than expansions which have already been commenced or declare any dividend or vary or alter [except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of GPIL/GPPL] the terms and conditions of employment of any of its employees, nor shall it conclude settlement with employees.

15 LEGAL PROCEEDINGS

- 15.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the GPPL and GPIL under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future (relating to any period prior to the Appointed Date) and in

each case relating to the relevant GPPL Undertaking/ Demerged Undertaking shall be continued and enforced by or against GPIL/ GPBL after the Effective Date and shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger/ demerger of the relevant GPPL Undertaking/ Demerged Undertaking or anything contained in the Scheme. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to a given GPPL Undertaking/ Demerged Undertaking or not, the decision of the Board of Directors of GPIL in this regard shall be conclusive evidence of the relationship with the relevant GPPL Undertaking/ Demerged Undertaking.

- 15.2 GPIL/ GPBL undertakes to have all legal proceedings initiated by or against GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) referred to in Clause 16.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against GPIL/ GPBL to the exclusion of GPPL/ GPIL. The respective companies shall make relevant applications in that behalf to the extent permissible. All costs and consequences of such proceeding shall be borne by GPIL/ GPBL.
- 15.3 In the event that the legal proceedings referred to herein require GPIL/ GPPL to be jointly treated as party thereto, GPIL/ GPBL shall prosecute or defend such proceedings in co-operation with GPIL/ GPPL at its cost and consequence.
- 15.4 Notwithstanding the above, in case the proceedings referred to in Clause 16.1 above cannot be transferred for any reason, or the transfer takes time, till such transfer GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) shall defend the same in accordance with the advice of the relevant GPIL/ GPBL and at the cost and consequences of GPIL/ GPBL, and GPIL/ GPBL shall reimburse, indemnify and hold harmless GPPL/ GPPL against all liabilities and obligations incurred by GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in respect thereof.
- 15.5 On and from the Effective Date, GPIL/ GPBL shall and may, if required, initiate any legal proceedings in relation to the rights, title, interest, obligations or liabilities of any nature whatsoever, whether under contract or law or otherwise, of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in the same manner and to the same extent as would or might have been initiated by GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking).

16 CONTRACTS AND DEEDS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of GPIL/ GPBL, as the case may be, and may be enforced by or against GPIL/ GPBL as fully and effectually as if, instead of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking), GPIL/ GPBL had been a party thereto. GPIL/ GPBL may enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. GPIL/ GPBL shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) and to implement or carry out all formalities required on the part of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts among and between GPPL and GPIL as on the Effective Date shall stand cancelled and cease to operate in GPIL.

17 STAFF AND EMPLOYEES

- 17.1 On the Scheme coming into effect, all staff and employees of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in service on such date shall be deemed to have become staff and employees of GPIL and GPBL without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with GPIL and GPBL shall not be less favourable than those applicable to them with reference to GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) on the Effective Date.
- 17.2 Upon the Scheme coming into effect, the existing Provident Fund, Gratuity Fund, Superannuation Fund and/ or schemes and trusts, including employee's welfare trust, created by GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) for its employees shall be transferred to GPIL/ GPBL. GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) shall take all steps necessary for the transfer, where

applicable, of the Provident Fund, Gratuity Fund, Superannuation Fund and/ or schemes and trusts, including employee's welfare trust, pursuant to the Scheme, to GPIL/ GPBL. All obligations of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) with regard to the said fund or funds as defined in the respective trust deed and rules shall be taken over by GPIL and GPBL from the Effective Date to the end and intent that all rights, duties, powers and obligations of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in relation to such Fund or Funds shall become those of GPIL and GPBL and all the rights, duties and benefits of the employees employed in GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) under such Funds and Trusts shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) will be treated as having been continuous for the purpose of the said Fund or Funds.

18 TREATMENT OF TAXES

18.1 Any tax liabilities or assets (including credit in respects of taxes paid) under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "**Tax Laws**") allocable or related to GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) to the extent not provided for or covered by tax provision recognized in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to GPIL/ GPBL. Any surplus in the provision for taxation/ duties/ levies account including advance tax, minimum alternate tax and withholding tax as on the date immediately preceding the Appointed Date will also be transferred to the account of the GPIL/ GPBL. Any refund under the Tax Laws due to GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) consequent to the assessments made on GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by GPIL/ GPBL.

18.2 All taxes (including income tax, minimum alternate tax, sales tax, excise duty, customs duty, service tax, VAT etc) paid or payable by GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, minimum alternate tax, service tax, VAT etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by GPIL/ GPBL, and, shall, in all proceedings, be dealt with accordingly.

Upon the Scheme becoming effective, GPIL and GPBL is also expressly permitted to revise its income tax, withholding tax, service tax, sales tax/ value added tax, excise, customs and other statutory returns and filings under the tax laws notwithstanding that the period of filing/ revising such returns may have lapsed and to claim refunds, advance tax and withholding tax credits, etc, pursuant to the provisions of this Scheme.

19 STAMP DUTY

No stamp duty shall be payable on the order passed by the Court in respect of:

- (a) Amalgamation of GPPL with GPIL; and
- (b) Demerger and vesting of the Demerged Undertaking of GPIL into GPBL

Upon the effectiveness of this Scheme, the companies shall also be entitled to stamp duty remission notification in terms of notification no M599/X-501, dated March 25, 1942, or similar notification/ order of the appropriate authority, that provides for remission of stamp duty chargeable on instruments evidencing transfer of property subject to fulfillment of prescribed conditions.

20 CHANGE IN THE CAPITAL STRUCTURE

From the date of acceptance of the present Scheme by the respective Board of Directors of GPPL, GPIL and GPBL, GPPL, GPIL and GPBL are expressly authorized to raise capital for the purpose of funding growth or any other purpose, in any manner as considered suitable by their Board of Directors, whether by means of rights issue, preferential issue, public issue or any other manner whatsoever. Further, such funds may be raised by means of any instrument

considered suitable by their respective Board of Directors, including equity/ equity linked instruments, convertible/ non convertible bonds, debentures, debt, ADRs/ GDRs etc. Provided that any such capital raising exercise shall be approved in writing by the Board of Directors of GPPL, GPIL and GPBL to preserve the interests of their respective shareholders. Further, any change in the capital structure from the date of acceptance of the present Scheme by the respective Board of Directors of GPPL, GPIL and GPBL, through any increase, decrease, reduction, reclassification, subdivision, consolidation, re-organization, buyback, or in any other manner, by GPPL, GPIL and GPBL, shall be subject to approval in writing by the Board of Directors of GPPL, GPIL and GPBL.

21 SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities, rights and obligations of the Merged Undertaking and the Demerged Undertaking and continuance of the proceedings by or against the GPPL/ GPIL (in relation to Demerged Undertaking) shall not in any manner affect any transaction or proceedings already completed by GPPL/ GPIL (in relation to Demerged Undertaking) on or before the Appointed Date to the end and intent that the GPIL/ GPBL accept all such acts, deeds and things done and executed by and/ or on behalf of the GPPL/ GPIL (in relation to Demerged Undertaking) as acts, deeds and things done and executed by and on behalf of the GPIL/ GPBL.

22 APPLICATIONS TO HIGH COURT/ OTHER AUTHORITY

- 22.1 GPPL, GPIL and GPBL shall, with all reasonable dispatch, make applications under section 391 of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the shareholders and/ or creditors of GPPL, GPIL and GPBL as may be directed by the High Court.
- 22.2 On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/ or creditors, GPPL, GPIL and GPBL shall, with all reasonable dispatch, apply to the High Court for sanctioning the Scheme under sections 391 and 394 of the Act, and for such other order or orders, as the said High Court may deem fit for carrying this Scheme into effect.

23 CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

- a. the Scheme being agreed to by the respective requisite majority of shareholders and creditors of GPPL, GPIL and GPBL;
- b. the Scheme being approved by the High Court;
- c. such other sanctions and approvals including sanctions of any statutory or regulatory authority, as may be required in respect of the Scheme, being obtained;
- d. filing by GPPL, GPIL and GPBL of the certified copies of the order of the High Court sanctioning the Scheme under Section 391-394 of the Act with the jurisdictional Registrar of Companies.
- e. The method of transfer of immovable assets of GPPL to GPBL has to be by means of separate registered deeds

24 EFFECT OF NON-APPROVALS

- 24.1 In the event any of the said sanctions and approvals referred to in Clause 23 above not being obtained and/ or the Scheme not being passed as aforesaid before December 31, 2012 or within such further period or periods as may be agreed upon between the Board of Directors of GPPL, GPIL and GPBL, this Scheme shall stand revoked, cancelled and be of no effect and null and void save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law and in such event each party shall bear their respective costs, charges and expenses in connection with the Scheme.
- 24.2 If any part or section of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of GPPL, GPIL and GPBL, affect the adoption or validity or interpretation of the other parts and/ or provisions of this Scheme. It is hereby clarified that the Board of Directors of GPPL, GPIL and GPBL, as the case may be, may in their absolute discretion, adopt any part of this Scheme or declare the entire

Scheme to be null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case GPPL, GPIL and GPBL shall bear its own cost or bear costs as may be mutually agreed. Such decisions shall not have an effect on the company that is not a part of such decision.

25. MODIFICATION OR AMENDMENT

The Board of Directors of GPPL, GPIL and GPBL reserves the right to withdraw the Scheme at any time before the 'Effective Date' and may assent to any modification(s) or amendment(s) in this Scheme which the High Court and/ or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme and the Board of Directors of GPPL, GPIL and GPBL and after the dissolution of GPPL, the Board of Directors of GPIL and GPBL be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the High Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith. The Board of Directors can empower any committee of directors or officers or other person to discharge all or any of the powers and functions, which the Board of Directors are entitled to exercise and perform under the scheme.

Prior approval of the secured creditors is also required for making any material changes in the said Draft Scheme.

26. COSTS, CHARGES AND EXPENSES

Except in the circumstances mentioned in Clause 24 above, all costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of GPPL, GPIL and GPBL arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall borne and paid by GPIL. All the aforesaid expenses shall be referred to as 'Expenses of Scheme'.

APPROVALS WITH RESPECT TO THE SCHEME OF ARRANGEMENT

The Hon'ble High Court of Judicature at Allahabad vide its Order dated October 29, 2013 has sanctioned the Scheme of Arrangement amongst GPIL, GPPL and our Company and their respective shareholders and creditors (the "Scheme"). In accordance with the said Scheme, the equity shares of our company issued subject to applicable regulations shall be listed and admitted to trading on the BSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by GPBL seeking listing.

The aforesaid Order of the Hon'ble High Court of Judicature at Allahabad was filed by GPIL, GPPL and our company with the Registrar of Companies ("ROC"), Kanpur and the Scheme was made effective from November 29, 2013.

OUR MANAGEMENT

Board of Directors

The Articles of Association provide that our Company shall not have less than three Directors and not more than twelve Directors unless otherwise determined by members in general meeting. Our Company currently has six Directors on our Board of Directors.

The following table sets forth details of the Board of Directors as of the date of filing of this Information Memorandum with the Stock Exchanges:

Name, Designation, Occupation, Experience, Qualification, DIN, Address, Date of appointment and Term of office	Nationality	Age (Years)		Other Directorships
MR. ISHWAR CHAND AGARWAL Designation : Chairman Status : Promoter Non Executive Director Qualification: B.Com. Experience: 40 years Occupation : Entrepreneur DIN: 00011152 Address: 12, Jamnalal Bajaj Marg, C-Scheme, Jaipur-302 001 Rajasthan, India Date of appointment: January 11, 2012 Term: Liable to retire by rotation	Indian	64	1. 2. 3. 4. 5. 6. 7. 8. 9.	Genus Power Infrastructures Limited Kailash Industries Limited Genus Electrotech Limited Greentech Mega Food Park Private Ltd Genus International Commodities Ltd Auto Logistics Park Private Limited Virtuous Urja Limited Virtuous Mining Limited Gulf Guar Gum Company LLC SFZ
MR. KAILASH CHANDRA AGARWAL Designation : Managing Director Status : Promoter Executive Director Qualification: B.Sc. Experience: 20 years Occupation : Entrepreneur DIN: 00895365	Indian	43	1. 2. 3. 4. 5. 6. 7. 8.	Genus Power Infrastructures Limited Genus Apparels Limited Kailash Coal And Coke Company Limited Virtuous Urja Limited Maple Natural Resources Pte. Ltd. Pt. Maple Natural Resources Gulf Guar Gum Company LLC SFZ Maple Natural Resources DWC -LLC

Address: 25, Jawahar Nagar, Moradabad-244001 Uttar Pradesh, India Date of appointment: January 11, 2012 Date of Appointment as Managing Director : November 29, 2013 Date of re-appointment as Managing Director & CEO: August 01, 2014 Term: Three years from the date of re-appointment				
MR. HIMANSHU AGARWAL Designation : Whole Time Director Status : Promoter Executive Director Qualification: B.Com. Experience: 12 years Occupation : Entrepreneur DIN: 00065185 Address: Near Moradabad Dharam Kanta, Kanth Road, Harthala, Moradabad – 244 001 Uttar Pradesh, India Date of appointment: January 11, 2012 Date of Appointment as Executive Director : November 29, 2013 Date of re-appointment as Executive Director: August 01, 2014 Term: Three years from the date of re-appointment and liable to retire by rotation	Indian	33	1.	Virtuous Paper & Urja Limited
MR. RAMESHWAR PAREEK Designation : Director Status : Independent Director Qualification: M.A. (Economics) Experience: 36 years Occupation : Ex-servicemen	Indian	70	1. Genus Power Infrastructures Limited 2. Mayur Uniquoters Limited 3. Kailash Vidyut & Ispat Limited 4. K G Petro Chem Ltd 5. Genus Prime Infra Limited 6. Virtuous Infra Limited 7. Star Vanijya Private Limited	

DIN: 00014224 Address: C-222, Vaishali Nagar, Jaipur, 302021, Rajasthan, India Date of appointment: October 29, 2013 Date of re-appointment : August 01, 2014 Term: Five consecutive years from the date of re-appointment				
MR. BHAIRO N SINGH SOLANKI Designation : Director Status : Independent Director Qualification: B.E. (Hons.) from BITS, Pilani and M.Sc. (Engg.) from Cranfield University England. Experience: 58 years Occupation : Ex-servicemen DIN: 00012141 Address: Gi-106, Malviya Nagar Industrial Area, Jaipur, 302017, Rajasthan, India Date of appointment: October 29, 2013 Date of re-appointment: August 01, 2014 Term: Five consecutive years from the date of re-appointment	Indian	86	1.	Genus Power Infrastructures Limited
MR. UDIT AGARWAL Designation : Director Status : Independent Director Qualification: B. Com. (Hons.) Experience: 20 years Occupation : Entrepreneur DIN : 02820615	Indian	41	1.	Genus Power Infrastructures Limited

Address: Z-16, 17, 18, Deen Dayal Nagar, Ph-2, Moradabad, 244001, Uttar Pradesh, India Date of appointment: October 29, 2013 Date of re-appointment : August 01, 2014 Term: Five consecutive years from the date of re-appointment				
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None of our Directors hold current and/ or past directorship(s) for a period of five years in listed companies whose shares have been or were suspended from being traded on the BSE or the NSE or in listed companies who have been / were delisted from stock exchanges.

None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of the Draft Information Memorandum.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital market by SEBI.

None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

Our Directors have not entered into any service contracts with our Company providing for benefits upon termination of employment.

Brief Profile of our directors

1. **Mr. Ishwar Chand Agarwal**, aged 64 years, Non-Executive Chairman of the Company is an industrialist of repute. A commerce graduate by profession he ventured into business at early age and now has an enriched experience of more than four decades in diverse fields & businesses with special attention on strategic planning, business diversification and development. He is a founder promoter of progressive and reputed Kailash Group. 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. Under his leadership, the Group 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.
2. **Mr. Kailash Chandra Agarwal**, aged 43 years, graduated with a Bachelor of Science degree, has rich experience of around two decades in the business of power infrastructure, electronics, paper products, iron ingots, coal, coke, sugar, cement and apparels. He has vast experience and proficiency in strategic and organizational planning, global tax structure, risk management, creating long-term sustainable shareholder value through proactive investor relation, budgeting, corporate finance and accounting. He has a proven track record of maximizing business opportunities and consistently achieving corporate financial performance goals. Looking his calibre and proficiency in the company's affairs, he was promoted as Managing Director and Chief Executive Officer (CEO) of the Company and entrusted with responsibilities of day-to-day operations, production activities, material management, personnel

management, financial management and implementation of Company's plans and all other general management functions of the Company. He is also responsible for formulation of corporate strategy, planning and policies to ensure smooth functioning and sustainable growth of the Company.

3. **Mr. Himanshu Agarwal**, aged 33 years, is Bachelor in Commerce. He and started his carrier by joining Genus Paper in the year 2004 and has been involved in family business for over 12 years. Over the years, He has gained extensive experience in the Paper Industry Sector, and has developed understanding of risk management, efficient processes and operational excellence. At Genus, Presently, he is the Executive Director and overall in charge of factory operations of the Company.
4. **Wg. Cdr. (Retd.) B. S. Solanki** is a technocrat. He did his B.E. (Hons.) from BITS, Pilani and 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.
5. **Mr. Rameshwar Pareek**, aged 70 years, holds a Master's degree in Economics. He has extensive experience of more than 36 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.
6. **Mr. Udit Agarwal**, aged 41 years, holds Bachelor of Commerce (Hons.) degree. He belongs to a reputed business house 'Saran Group' and has over one and a half decade experience in the development and exports of handicraft items. He is a young and energetic businessman with strong ability to provide insightful analysis and recommendations. He is a Non-Executive and Independent Director of the Company. He is also a director on the Board of Genus Power Infrastructures Limited.

Relationship between directors

Name	Designation	Relationship with other directors
Mr. Ishwar Chand Agarwal	Chairman	Father of Mr. Kailash Chandra Agarwal
Mr. Kailash Chandra Agarwal	Managing Director & CEO	Son of Mr. Ishwar Chand Agarwal
Mr. Himanshu Agarwal	Whole Time Director	Cousin of Mr. Kailash Chandra Agarwal, nephew of Mr. Ishwar Chand Agarwal

Borrowing Powers of the Board

The Articles of Association, subject to the provisions of the Companies Act, authorise the Board, at its discretion, to generally raise or borrow or secure the payment of any sum or sums of money for business purposes.

Vide resolution passed in the extra ordinary general meeting held on November 29, 2013, the Board of Directors are authorized to borrow for an amount not exceeding Rs. 300.00 crores over and above the aggregate of the paid up share capital and free reserves for the time being.

Compensation and Benefits to the Managing Director / Whole Time Directors

Managing Director

As per recommendation of the Remuneration Committee and vide approval of the Members at extra-ordinary general meeting held on November 29, 2013, our company appointed Mr. Kailash Chandra Agarwal as Managing Director & CEO with effect from November 29, 2013 for a period of three years. In order to compliant with the provisions of the new Companies Act, 2013, the existing tenure stands determined with mutual consent and he was re-appointed as Managing Director & CEO with effect from August 01, 2014 for a period of three years in the 03rd Annual General Meeting of the members of the Company held on 30th September, 2014. The salient terms and conditions of his re-appointment are as follows:

- i)- Basic Salary : Rs. 5,00,000/- (Rupees Five Lac only) per month with authority to the Board of Directors (which expression shall include a Committee thereof) to raise salary by giving annual increments on 1st April every year, subject however to a ceiling of Rs. 8,00,000/- (Rupees Eight Lac only) per month and subject to the financial performance of the company and other factors as prescribed.
- ii)- Perquisites & Allowances: Perquisites & Allowances, if any, shall be as per company policy and rules.
Explanation: Perquisites, if any shall be evaluated as per income tax rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.
- iii)- Company's Contribution to Provident Fund /Superannuation fund / Annuity Fund: Rs. 60,000/- (Rupees Sixty Thousand only) per month or such other amount as fixed as per policy of the Company; The Company shall contribute to the Provident fund /Superannuation fund/Annuity fund in accordance with the rules and regulation of the Company.
- iv)- Minimum Remuneration: In the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Mr. Kailash Chandra Agarwal shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any modification(s) thereto.
- v)- He shall devote such time and attention to the business of the Company as may be necessary and be responsible for the general conduct and management of the business and affairs of the Company, subject to the superintendence, control and supervision of the Board and shall have such powers and carry out such duties and responsibilities as may be entrusted by the Board time to time.
- vi)- He shall not be liable to retire by rotation during his tenure as Managing Director of the Company in terms of the provisions of Articles of Association of the Company.

Whole Time Directors

As per recommendation of the Remuneration Committee and vide approval of the Members at extra-ordinary general meeting held on November 29, 2013, our company appointed Mr. Himanshu Agarwal as Whole Time Director with effect from November 29, 2013 for a period of three years. In order to compliant with the provisions of new Companies Act, 2013, the existing tenure stands determined with mutual consent and he was re-appointed as Managing Director& CEO with effect from August 01, 2014 for a period of three years in the 03rd Annual General Meeting of the members of the Company held on 30th September, 2014. The salient terms and conditions of his re-appointment are as follows:

- i)- Basic Salary : Rs. 5,00,000/- (Rupees Five Lac only) per month with authority to the Board of Directors (which expression shall include a Committee thereof) to raise salary by giving annual increments on 1st April every year, subject however to a ceiling of Rs. 8,00,000/- (Rupees Eight Lac only) per month and subject to the financial performance of the company and other factors as prescribed.
- ii)- Perquisites & Allowances: Perquisites & Allowances, if any, shall be as per company policy and rules.
Explanation: Perquisites, if any shall be evaluated as per income tax rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

- iii)- Company's Contribution to Provident Fund /Superannuation fund / Annuity Fund: Rs. 60,000/- (Rupees Sixty Thousand only) per month or such other amount as fixed as per policy of the Company; The Company shall contribute to the Provident fund /Superannuation fund/Annuity fund in accordance with the rules and regulations of the Company.
- iv)- Minimum Remuneration: In the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Mr. Himanshu Agarwal shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any modification(s) thereto.
- v)- He shall devote such time and attention to the business of the Company as may be necessary and be responsible for the general conduct and management of the business and affairs of the Company, subject to the superintendence, control and supervision of the Board and shall have such powers and carry out such duties and responsibilities as may be entrusted by the Board time to time.
- vi)- The period of office of Mr. Himanshu Agarwal shall be liable to determination by retirement of directors by rotation.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Mr. Ankit Agarwal, Company Secretary & Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Shareholding of Directors

As per Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of Director of our Company. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as on the date of the Information Memorandum:

Sr. No	Name of Directors	No of Equity Shares held	% of Total Shares
1.	Mr. Ishwar Chand Agarwal	10329457*	4.017
2.	Mr. Kailash Chandra Agarwal	13298366*	5.172
3.	Mr. Himanshu Agarwal	2301846*	0.895
4.	Mr. Bhairon Singh Solanki	10000	0.004
5.	Mr. Udit Agarwal	Nil	Nil
6.	Mr. Rameshwar Pareek	Nil	Nil

**including holding 10 shares as nominee of Genus Power Infrastructures Limited*

Interests of Directors

All the Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any, under the Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoter, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors do not have any other interests in our Company as on the date of the Information Memorandum.

Changes in the Board of Directors since the Company's incorporation

The following changes have taken place in the Board of Directors of our Company since incorporation:

Name of the Director	Date of Appointment	Date of Resignation	Remarks
Mr. Kailash Chandra Agarwal	Since Incorporation	-	Appointed as Director
	November 29, 2013	-	Appointed as Managing Director & CEO
Mr. Ishwar Chand Agarwal	Since Incorporation	-	Appointed as Director
Mr. Himanshu Agarwal	Since incorporation	-	Appointed as Director
	November 29, 2013	-	Appointed as Whole Time Director
Mr. Rameshwar Pareek	October 29, 2013	-	Appointed as Director
Mr. Bhairon Singh Solanki	October 29, 2013	-	Appointed as Director
Mr. Udit Agarwal	October 29, 2013	-	Appointed as Director

CORPORATE GOVERNANCE

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to corporate governance and the SEBI (ICDR) Regulations in respect of corporate governance will be applicable to our Company at the time of seeking in principle approval for listing of our Company's Equity Shares with the Stock Exchanges. Our Company has complied with Listing Agreement in respect of Corporate Governance specially with respect to broad basing of Board, constituting the Committees such as Stakeholders Relationship Committee, Audit Committee and Nomination and Remuneration Committee.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has six directors out of which three are independent directors in accordance with the requirement of clause 49 of the listing agreement of the Stock Exchanges.

Sr. No	Name of Director	Designation	Category
1.	Mr. Ishwar Chand Agarwal	Chairman	Non Executive and Non Independent Director
2.	Mr. Kailash Chandra Agarwal	Managing Director	Executive and Non Independent Director
3.	Mr. Himanshu Agarwal	Whole time Director	Executive and Non Independent Director
4	Mr. Bhairon Singh Solanki	Director	Independent Non Executive Director
5.	Mr. Udit Agarwal	Director	Independent Non Executive Director
6.	Mr. Rameshwar Pareek	Director	Independent Non Executive Director

Pursuant to amended Clause 49 of the Listing Agreement which has come into force w.e.f. 01st October, 2014, every listed company shall also have at least one woman director on the Board. However, the provisions regarding appointment of woman director as provided in Clause 49 (II)(A)(1) shall be applicable with effect from April 01, 2015. In compliance with the provisions of said Clause 49 and other applicable law for the time being in force, the Company is looking for an appropriate candidate for the appointment as woman director and shall appoint such director in due course.

In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

AUDIT COMMITTEE

The Audit Committee, reconstituted vide board meeting dated 18.07.2014, consists of the following members:

Sr. No	Name of the Directors	Designation in the Committee	Nature of Directorship
1.	Mr. Udit Agarwal	Chairman	Independent Director
2.	Mr. Rameshwar Pareek	Member	Independent Director
3.	Mr. Bhairon Singh Solanki	Member	Independent Director
4.	Mr. Kailash Chandra Agarwal	Member	Managing Director

Mr. Ankit Agarwal, Company Secretary, is the secretary of this Committee.

The scope and function of the Audit Committee are in accordance with Section 177 of the Companies Act 2013 and Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The terms of reference of our Audit Committee are given below:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon 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 (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - 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.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism; and
19. 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 and background, etc. of the candidate;

NOMINATION AND REMUNERATION COMMITTEE (FORMERLY KNOWN AS REMUNERATION COMMITTEE)

The Nomination and Remuneration Committee, reconstituted vide board meeting dated 18.07.2014, consists of the following members:

Sr. No	Name of the Directors	Designation in the Committee	Nature of Directorship
1.	Mr. Udit Agarwal	Chairman	Independent Director
2.	Mr. Bhairon Singh Solanki	Member	Independent Director
3.	Mr. Rameshwar Pareek	Member	Independent Director

Mr. Ankit Agarwal, Company Secretary, is the secretary of this Committee. The terms of reference of our Nomination and Remuneration Committee are given below:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Formulating a policy on Board diversity; and
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

STAKEHOLDERS RELATIONSHIP COMMITTEE (FORMERLY KNOWN AS SHAREHOLDERS /INVESTORS GRIEVANCE COMMITTEE)

The Stakeholders Relationship Committee, reconstituted vide board meeting dated 18.07.2014, consists of the following members:

Sr. No	Name of the Directors	Designation in the Committee	Nature of Directorship
1.	Mr. Udit Agarwal	Chairman	Independent Director
2.	Mr. Bhairon Singh Solanki	Member	Independent Director
3.	Mr. Rameshwar Pareek	Member	Independent Director

Mr. Ankit Agarwal, Company Secretary, is the secretary of this Committee.

The terms of reference of our Stakeholders Relationship Committee are given below.

1. To ensure proper and timely attendance and redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, de-mat/ re-mat of shares etc;
2. to supervise and ensure Issue of duplicate / split / consolidated share certificates;
3. review of cases for refusal of transfer and transmission of securities; and
4. Reference to statutory and regulatory authorities regarding stakeholders grievances and complaints.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Sr. No	Name of the Directors	Designation in the Committee	Nature of Directorship
1.	Mr. Udit Agarwal	Chairman	Independent Director
2.	Mr. Rameshwar Pareek	Member	Independent Director
2.	Mr. Kailash Chandra Agarwal	Member	Managing Director & CEO
3.	Mr. Himanshu Agarwal	Member	Whole Time Director

Mr. Ankit Agarwal, Company Secretary, is the secretary of this Committee. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

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

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

KEY MANAGERIAL PERSONNEL

The details of our Key Managerial Personnel as on the date of filing of Information Memorandum are as follows:

S. P. SINHA, aged 63 years, is the General Manager of the human resource department in the Company. He holds a Bachelor in Arts and is associated with the Kailash Group since 2006. He has experience of about 30 years. He is in-charge of the overall administration of the Company. Prior to his employment in the Company, he has worked as the Manager Administration in DSM Agro Products Limited, Moradabad.

SUDARSHAN KUMAR, aged 68 years, is a Diploma holder in Mechanical Engineering. He has experience of over 46 years. He is the Deputy General Manager (Purchase) and is associated with the Company since December 01, 2013. He exercises close supervision over the purchases made by the Company. Prior to his employment in the Company, he has worked as the Manager Co-ordination in Chadha Papers Ltd., Bilaspur.

J.S. CHAUDHARY, aged 54 years, is a Science Post Graduate. He has experience of over 27 years. He is the Vice President (Works). He is the overall in-charge of kraft paper plant of the Company. Prior to his employment in the Company, he has worked as the General Manager in Silver Tone Pulp and Papers Limited, Muzaffar Nagar.

SANJAY AGARWAL, aged 39 years, is a Chartered Accountant by profession and a Law graduate. He has an experience of over 13 years. He was the Asst. General Manager (Finance & Accounts) in the Company till 13th November, 2014 and looking his caliber and skills, he has been promoted as Chief Financial officer of the Company w.e.f 13th November, 2014. He is overall in-charge of finance and accounts functions of the Company. Prior to his employment in the Company, he was working with DSCL Sugar Limited as Joint Manager-Accounts.

ANKIT AGARWAL, aged 30 years, is a Company Secretary of the Company and associated with Kailash Group since December 2009. He is an Associate Member of the Institute of Company Secretaries of India and holds a Master's degree in Commerce and Law degree from Bareilly University. He has over 5 years of post qualification experience in corporate & securities laws and compliance. Prior to joining the Company, he was working with Adlakha & Adlakha Associates as an Assistant Company Secretary.

RAKESH KUMAR AGARWAL, aged 59 years, is a Diploma in Mechanical Engineering. He has an experience of 34 years. He has been working with the Company since December 01, 2013. He is the Asst. General Manager (Mechanical) in the Company. He is the in charge of the maintenance of Paper Plant & Project Planning. Prior to his employment in the Company, he has worked as the Project Manager (Mechanical) in M/s Anmol Polymers, Ethiopia.

C. K. GARG aged 54 Years, is the Asst. General Manager (Import) in the Company. He holds B.Com (Hons.) and CA (Intermediate). He has experience of about 30 years. He is in-charge of importing raw materials, logistics in addition to administration of the Delhi Office of the Company. Prior to his employment in the Company, he has worked as Manager (Marketing) in DEV Group of Industries, at Meerut.

H. P. MISHRA, aged 47 years, is the Deputy General Manger (Electrical) in the Company. He is B. Tech. in Electrical. He has experience of about 30 years in the power distribution at new plant, TPM & TQM. He is in-charge of preventive and predictive maintenance of the electrical department of the company. Prior to his employment in the Company, he has worked as DGM-Electrical in Rama News Print and Paper Ltd., at Surat.

Notes:

- All the Key Managerial Personnel are on the payrolls of our Company as the permanent employees.
- There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- The Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.
- None of the Key Managerial personnel mentioned above are related to each other, or related to our Promoters/Directors.
- Pursuant to the Scheme, services of Key Managerial Personnel were transferred to our Company w.e.f. November 29, 2013.

Shareholding of Key Managerial Personnel

There is no shareholding of the Key Managerial Personnel mentioned above as on the date of the Information Memorandum.

Relation of the Key Managerial Personnel with our Promoters/Directors

None of key managerial personnel mentioned above are "related" to the Promoters or Directors of our Company within the meaning of Clause 2(76) of the Companies Act, 2013.

Bonus or profit sharing plan for Key Managerial Personnel

The Company has not formulated any specific bonus plan or profit sharing plan for its Key Managerial Personnel.

Changes in our Key Managerial Personnel

Changes in the Key Managerial Personnel of our Company since incorporation:

Sr. No	Key Managerial Personnel	Designation	Date of Appointment / Resignation	Remarks
1.	Mr. Sudarshan Kumar	DGM-Purchase	December 01, 2013	Appointed
2.	Mr. Rakesh Kumar Agarwal	AGM –Mech.	December 01, 2013	Appointed
3.	Mr. Om Datt Sharma	Project Head	April 08, 2014	Resigned
4.	Mr. Sudhir Kumar	AGM-Power Plant	October 16, 2014	Appointed
5.	Mr. Naresh Ku. Rajpoot	AGM-Power Plant	October 28, 2014	Resigned
6.	Mr. Sunil Srivastva	AGM-Pulp	November 3, 2014	Resigned
7.	Mr. Mukesh Ku. Bansal	AGM-Accounts	November 14, 2014	Appointed
8.	Mr. Rakesh Kumar Agarwal	CFO	November 13, 2014	Resigned
9.	Mr. Sanjay Kumar Agarwal	CFO	November 13, 2014	Appointed
10.	Mr. Satyender Nath Mishra	AGM-Pulp	November 20, 2014	Appointed
11.	Mr. Pradeep Banerjee	DGM-Sales	January 01, 2015	Resigned
12.	Mr. Mukesh Ku. Bansal	AGM-Accounts	January 13, 2015	Resigned

Interests of Key Managerial Personnel

The Key Managerial Personnel do not have any interest in our Company other than to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement incurred by them during the ordinary course of business.

Employees

Upon effectiveness of the Scheme all employees of the Demerged Undertaking of GPIL in service on the Effective Date have been transferred to our Company without any interruption, on the same terms and conditions of employment as were with GPIL (in relation to the Demerged Undertaking).

There are about 279 employees including KMPs as on the date of this Information Memorandum.

Employees Stock Option

Our Company does not have any Employees Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Payment or Benefit to officers of our Company




Except for payment of monetary and non-monetary benefits in accordance with the terms of employment or engagement, we have not paid any amount or given any benefit to any officer of our Company in a period of two years before the date of the Information Memorandum, nor is such amount or benefit intended to be paid or given to any officer as on the date of the Information Memorandum.

OUR PROMOTERS AND THEIR BACKGROUND

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

Mr. Ishwar Chand Agarwal, Mr. Kailash Chandra Agarwal and Mr. Himanshu Agarwal are presently the Promoters of the Company.

The details of our Promoters are provided herein below:

	<p>Mr. Ishwar Chand Agarwal, aged 64 years, is a commerce graduate. He is a founder promoter of progressive and reputed Kailash Group. He ventured into business at early age and gained a rich and varied experience of more than four decades in diverse fields & businesses with special attention on strategic planning, business diversification and development. At Genus, currently, he is Non-Executive Chairman of the Company.</p> <p>He is also Director on the Board of Genus Power Infrastructures Limited, Genus Electrotech Limited, Kailash Industries Limited, Genus International Commodities Limited, Virtuous Urja Limited, Virtuous Mining Limited, Auto Logistics Park Private Limited, Greentech Mega Food Park Private Limited and Gulf Guar Gum Company LLC SFZ.</p> <p>PAN: AJCPA9438P Passport Number: K 1167437 DIN : 00011152</p>
	<p>Mr. Kailash Chandra Agarwal, aged 43 years, a Bachelor of Science, has rich experience of around two decades in the business of paper products, power infrastructure, electronics, iron ingots, coal, coke, sugar, cement and apparels. He has vast experience and proficiency in strategic and organizational planning, global tax structure, risk management, creating long-term sustainable shareholder value through proactive investor relation, budgeting, corporate finance and accounting. He has a proven track record of maximizing business opportunities and consistently achieving corporate financial performance goals. He, Second generation entrepreneur, has been spearheading the Kailash Group since its inception. Under his leadership, within a span of 20 years, Kailash Group has emerged as a leading business conglomerate with business interests across sectors. At Genus, currently, he is the Managing Director & CEO of the Company.</p> <p>He is also the Managing Director of Virtuous Urja Limited, and Director on the Board of Genus Power Infrastructures Limited, Kailash Coal And Coke Company Limited and Genus Apparels Limited including foreign companies namely Maple Natural Resources Pte. Ltd. Pt. Maple Natural Resources Gulf Guar Gum Company LLC SFZ Maple Natural Resources DWC –LLC.</p> <p>PAN: ADNPA7732P Passport Number: Z 2668049 DIN: 00895365</p>
	<p>Mr. Himanshu Agarwal, aged 33 years, is Bachelor in Commerce. He started his carrier by joining Kailash Group in the year 2004 and has been involved in the business for over 12 years. Over the years, He has gained extensive experience in the Paper, Steel and Coal & Coke businesses, and has developed understanding and skills of risk management, efficient processes and operational excellence. At Genus, Presently, he is the Executive Director and overall in charge of factory operations of the Company. He is also Director in Virtuous Paper & Urja Limited.</p> <p>PAN: ADNPA8872A Passport Number: J 9930509 DIN: 00065185</p>

Other understandings and confirmations

Our Promoters including relatives of the Promoters have confirmed that they have not been detained as willful defaulters by the RBI or any other Governmental authority.

Additionally, there are no violations of securities laws committed by our Promoters in the past or are pending against them and none of our Promoters have been prohibited from accessing the capital markets for any reasons, by SEBI or any other authorities, or refused listing of any of the securities issued by such entity by any stock exchange in India or abroad.

Interest of our Promoters

Our promoters are interested to the extent of their shareholding and the dividend declared, if any, by our Company. Following are details of their shareholding in the post-scheme share capital of the Company:-

Sr. No.	Name of Promoters@	No. of equity shares held	% Shareholding
1.	Mr. Ishwar Chand Agarwal	10329457	4.017
2.	Mr. Kailash Chandra Agarwal	13298366	5.172
3.	Mr. Himanshu Agarwal	2301846	0.895
	Total	25929669	10.084

@including holding 10 shares each as nominee of Genus Power Infrastructures Limited.

Further, Mr. Ishwar Chand Agarwal is the non-executive chairman, Mr. Kailash Chandra Agarwal is the Managing Director & CEO and Mr. Himanshu Agarwal is the executive director of our Company.

Payment of benefits to our Promoters during the last two years

Except as stated at Note of Related Party Disclosures in the section titled "Financial Information" beginning on page 109 of this Information Memorandum there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Information Memorandum.

Litigation

For details regarding litigation involving our Promoters, see the section titled "Outstanding Litigations, material developments and other disclosures", beginning on page 195 of this Information Memorandum.

Related Party Transactions

Except as disclosed at Note of Related Party Transactions under the section titled "Financial Information" beginning on page 109 of this Information Memorandum, our Company has not entered into any related party transactions with the Promoters or Promoter Group companies.

Promoters' Group

Apart from the above, the following individuals, HUFs, companies and other entities shall also form part of our Promoter Group as per definition of promoter group given in sub-clause (zb) of Clause 2(1) of SEBI Regulations:

Particulars	Relation with the any of the Promoters /Promoters Group
Aditi Agarwal	Daughter of Kailash Chandra Agarwal
Kesav Agarwal	Son of Banwari Lal Todi
Kushagra Agarwal	Son of Kailash Chandra Agarwal
Mitisha Agarwal	Daughter of Banwari Lal Todi

Priyal Agarwal	Daughter of Kailash Chandra Agarwal
Kanchan Agarwal	Daughter of Amrit Lal Todi
Parvati Agarwal	Sister of Amrit Lal Todi
Rama Agarwal	Daughter of Amrit Lal Todi
Dhairya Agarwal	Son of Jitendra Agarwal
Dhwani Agarwal	Daughter of Rajendra Agarwal
Yohaansh Agarwal	Son of Rajendra Agarwal
Arya Agarwal	Son of Amit Agarwal
Saurya Agarwal	Son of Amit Agarwal
Persons who's shareholding aggregated in the Shareholding of Promoter Group	
A. Individuals	
Anand Todi	Son of Phoos Raj Todi
Jitendra Agarwal	Son of Ishwar Chand Agarwal
Rajendra Agarwal	Son of Ishwar Chand Agarwal
Vishnu Todi	Son of Phoos Raj Todi
Banwari Lal Todi	Son of Amrit Lal Todi
Amrit Lal Todi	Brother of Ishwar Chand Agarwal
Amit Kumar Agarwal	Son of Ishwar Chand Agarwal
Aditya Todi	Son of Vishnu Dutt Todi
Anju Agarwal	Wife of Jitendra Agarwal
Ashutosh Todi	Son of Anand Todi
Manju Devi Todi	Mother of Anand Todi & Vishnu Todi
Monisha Agarwal	Wife of Rajendra Agarwal
Narayan Prasad Todi	Brother of Ishwar Chand Agarwal
Nishu Todi	Wife of Vishnu Todi
Parul Agarwal	Wife of Amit Agarwal
Phoos Raj Todi	Brother of Ishwar Chand Agarwal
Rakesh Agarwal	Mother of Himanshu Agarwal
Rubal Todi	Wife of Banwari Lal Todi
Seema Todi	Wife of Narayan Prasad Todi
Shanti Devi Agarwal	Wife of Ishwar Chand Agarwal
Sharda Todi	Wife of Anand Todi
Simple Agarwal	Wife of Kailash Chandra Agarwal
B. HUF	
Kailash Chand Agarwal (HUF)	Karta , Kailash Chandra Agarwal is one of our Promoter
Ishwar Chand Agarwal (HUF)	Karta , Ishwar Chand Agarwal is one of our Promoter
Banwari Lal Todi(HUF)	Karta , Banwari Lal Todi is included in Promoter Group
Phoosraj Todi (HUF)	Karta , Phoosraj Todi is included in Promoter Group
Anand Todi (HUF)	Karta , Anand Todi is included in Promoter Group
Rajendra Kumar Agarwal (HUF)	Karta , Rajendra Kumar Agarwal is included in Promoter Group
Narayan Prasad Todi (HUF)	Karta , Narayan Prasad Todi is included in Promoter Group
Amrit Lal Todi (HUF)	Karta , Amrit Lal Todi is included in Promoter Group
Baldev Kumar Agarwal (HUF)	Karta , Baldev Kumar Agarwal is included in Promoter Group
Bajrang Lal Todi(HUF)	Karta , Bajrang Lal Todi is included in Promoter Group
Amit Agarwal (HUF)	Karta , Amit Kumar Agarwal is included in Promoter Group
Vishnu Todi (HUF)	Karta , Vishnu Todi is included in Promoter Group
C. Body Corporate	Promoter group control
Genus International Commodities Limited	100%
Genus Power Infrastructures Limited	50.49%
Kailash Coal and Coke Company Limited	100%
Kailash Industries Limited	100%
Kailash Vidyut and Ispat Ltd	100%
Vivekshil Dealers Pvt. Ltd.	100%
CRG Trading and Finvest (P) Ltd.	100%
Genus Innovation Limited	100%
Hi – Print Electromack Private Limited	100%
I C Finance Pvt. Ltd	100%

OUR GROUP COMPANIES

ENTITIES FORMING PART OF THE GROUP

Unless otherwise stated none of the companies forming part of the Group Companies is a sick company under the meaning of SICA and none of them are under winding up or had remained defunct and for which application was made to the Registrar of Companies for striking off the name of the company, during the three years preceding the date of this Information Memorandum.

The Group Companies are as follows:

- Genus Power Infrastructures Limited
- Genus Prime Infra Limited (formerly Gulshan Chemfill Limited)
- Genus Electrotech Limited
- Virtuous Urja Limited
- Kailash Coal and Coke Company Ltd
- Genus Innovation Limited
- Genus Apparels Limited
- Virtuous Infra Limited
- Kailash Industries Limited
- Kailash Vidyut & Ispat Limited
- Virtuous Mining Limited
- Virtuous Paper & Urja Limited
- Genus International Commodities Ltd.
- Star Vanijya Pvt. Ltd
- Sunima Trading Pvt. Ltd
- Sansar Infrastructure Pvt. Ltd
- Vivekshil Dealers Pvt. Ltd
- I C Finance Pvt. Ltd
- CRG Trading & Finvest Pvt. Ltd
- M.K.J. Manufacturing Pvt. Ltd.
- J C Textiles Pvt. Ltd
- Hi-Print Electromack Pvt. Ltd
- Maple Natural Resources Pte. Ltd
- Pt. Maple Natural Resources
- Maple Natural Resources DWC, LLC
- Gulf Guar Gum Company LLC SFZ
- Globionics Pte. Ltd.

Details of the five largest Group Companies (Two listed companies and then based on turnover)

Pursuant to sub Clause (2) of clause I of IX of part A of Schedule VIII of SEBI ICDR, the information for the last 3 years based on the audited statements in respect of the listed and unlisted group companies is given hereunder:

1. GENUS POWER INFRASTRUCTURES LIMITED ("GPIL")

Genus Power Infrastructures Limited ("GPIL") was incorporated in 1992 as 'Genus Overseas Electronics Limited' under the Companies Act, 1956 as Public Limited Company vide certificate of registration dated 06.08.1992 issued by Registrar of Companies, Rajasthan, and received its certificate of commencement of business on 23.09.1992. The name was subsequently changed to Genus Power Infrastructures Limited on 31.03.2007. The registered office of GPIL was shifted from the state of Rajasthan to the National Capital Territory of Delhi vide order of Company Law Board dated January 14, 2005 and certificate issued by the Registrar of Companies, Jaipur and Registrar of Companies, Delhi on February 18, 2005 and February 25, 2005 respectively. The registered office of GPIL was further shifted from the National Capital Territory of Delhi to the State of Uttar Pradesh ('U.P.') vide order of Company Law Board and certificate issued by the Registrar of Companies, Kanpur, Uttar Pradesh on 21.08.2012. The registered office of GPIL is located at 213, J.S. Arcade, Sector-18, Noida-201301 (U.P.). The Equity Shares of GPIL are listed on BSE Limited (BSE) and National Stock of India Limited (NSE).

As per its memorandum of association, GPIL is primarily engaged in the business of manufacturing and distribution of smart energy metering solutions and power back-up solutions across India as well as globally. It also undertake Engineering, Construction and Contracts (Power Projects) on turnkey basis.

FINANCIAL PERFORMANCE

The summary of audited financial statements of GPIL is set forth below:

(Rs. in Lacs, except share data)

Particulars	2011-12	2012-13	2013-14
Equity Share Capital	1,589.07	1,589.07	2566.26
Reserves and Surplus (excluding revaluation reserve if any)	42,970.62	47,203.82	40811.11
Total Income	70,657.92	66,132.29	77,082.57
Profit /(Loss) after Tax	6,610.00	4,457.23	6,046.79
EPS (in Rs.)			
- Basic	4.21	2.77	3.24
- Diluted	4.16	2.76	3.24
Net Asset Value (NAV) Per Shares (in Rs.)	28.04	30.71	16.90

BOARD OF DIRECTORS

As on the date of this Information Memorandum, the board of directors of Genus Power Infrastructures Limited comprises of the following persons:

Name	Designation
Ishwar Chand Agarwal	Executive Chairman
Kailash Chandra Agarwal	Vice Chairman (Non Executive)
Rajendra Kumar Agarwal	Managing Director & CEO
Jitendra Kumar Agarwal	Joint Managing Director
Satya Narayan Vijayvergiya	Executive Director
Bhairon Singh Solanki	Independent, Non-Executive Director
Indraj Mal Bhutoria	Independent, Non-Executive Director
Rameshwar Pareek	Independent, Non-Executive Director
Dharam Chand Agarwal	Independent, Non-Executive Director
Udit Agarwal	Independent, Non-Executive Director
Naveen Gupta	Independent, Non-Executive Director

CAPITAL STRUCTURE AS ON DECEMBER 31, 2014

Particular	As on December 31, 2014
Authorized Share Capital	
63,16,00,000 Equity shares of Re.1/- each	63,16,00,000
5,04,000 (10%) Redeemable Preference shares of Rs.100/- each	5,04,00,000
15,00,000 Redeemable Preference shares of Rs.100/- each	15,00,00,000
Total	83,20,00,000
Issued, Subscribed and Paid up Share Capital	
25,66,60,921 Equity shares of Re.1/- each fully paid up	25,66,60,921
Total	25,66,60,921

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2014
(I)(a) STATEMENT SHOWING SHAREHOLDING PATTERN

Category Code	Category of Shareholders	No. of Share-holders	Total No. of Shares	No. of Shares held in demat form	Total Shareholding as a % of total no. of shares		Shares Pledge 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)=(VIII)/(IV)*100
(A)	Total Shareholding of Promoter & Promoter Group							
'(1)	Indian							
(a)	Individual/HUF	38	69774680	69774680	27.186	27.186	Nil	Nil
(b)	Central Govt./ State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	9	60111227	60111227	23.42	23.42	Nil	Nil
(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	129885907	129885907	50.606	50.606	Nil	Nil
'(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)	Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total of (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Shareholding of Promoter & Promoter Group (A) = (A)(1)+(A)(2)	47	129885907	129885907	50.606	50.606	Nil	Nil
(B)	Public Shareholding							
'(1)	Institutions							
(a)	Mutual Funds / UTI	6	99000	Nil	0.039	0.039		
(b)	Fin.Institutions / Banks	3	6290	290	0.002	0.002		
(c)	Central Govt./ State Govt.	Nil	Nil	Nil	Nil	Nil		
(d)	Venture Capital	Nil	Nil	Nil	Nil	Nil		
(e)	Insurance Company	Nil	Nil	Nil	Nil	Nil		
(f)	Foreign Inst.Investors	2	93110	93110	0.036	0.036		
(g)	Foreign VC Investors	1	43000	Nil	0.017	0.017		
(h)	QFI - Corporate	Nil	Nil	Nil	Nil	Nil		
(i)	Any Other	Nil	Nil	Nil	Nil	Nil	NA	NA
	Sub-Total (B)(1)	12	241400	93400	0.094	0.094	NA	NA
'(2)	Non-Institutions							
(a)	Bodies Corporate	336	24268152	24238152	9.455	9.455	NA	NA
(b)	Individuals							
	i.Individual Shareholders Holding Nominal Share Upto Rs.1 Lakh	12646	24532458	21967117	9.558	9.558	NA	NA
	ii.Individual Shareholders Holding Nominal Share greater than Rs.1 Lakh	30	67562347	67562347	26.324	26.324	NA	NA
(a)	QFI - Individual	Nil	Nil	Nil	Nil	Nil	NA	NA

(d)	Any Other							
	NRI/OCBs	368	9132531	8016531	3.558	3.558	NA	NA
	Clearing Memb/Clearing Cor	164	1038126	1038126	0.404	0.404	NA	NA
	Sub-Total (B)(2)	13544	126533614	122822273	49.3	49.3	NA	NA
	Total Public Shareholding (B) = (B)(1) + (B)(2)	13556	126775014	122915673	49.394	49.394	NA	NA
	TOTAL (A)+(B)	13603	256660921	252801580	100	100	Nil	Nil
(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)	13603	256660921	252801580	100	100	Nil	Nil

(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter & Promoter Group"

Sr. No.	Name of the Shareholder	Details of Shares held		Encumbered Shares/Warrant/ Convertible Securities			Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of Shares held	As a % of grand total (A)+(B)+(C)	Number	% of (III) (i.e. =(V)/(III) *100)	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)
1	CRG TRADING AND FINVEST (P) LTD.	3750210	1.461	0	0	0	1.461
2	GENUS INNOVATION LIMITED	4769600	1.858	0	0	0	1.858
3	GENUS INTERNATIONAL COMMODITIES LIMITED	4205000	1.638	0	0	0	1.638
4	HI - PRINT ELECTROMACK PRIVATE LIMITED	5574300	2.172	0	0	0	2.172
5	IC FINANCE PRIVATE LTD	112800	0.044	0	0	0	0.044
6	KAILASH COAL AND COKE COMPANY LIMITED	7926000	3.088	0	0	0	3.088
7	KAILASH INDUSTRIES LIMITED	9961560	3.881	0	0	0	3.881
8	KAILASH VIDYUT AND ISPAT LIMITED	75000	0.029	0	0	0	0.029
9	VIVEKSHIL DEALERS PVT. LTD.	23736757	9.248	0	0	0	9.248
10	ADITYA TODI	15000	0.006	0	0	0	0.006
11	AMIT AGARWAL	146150	0.057	0	0	0	0.057
12	AMIT KUMAR AGARWAL	1316076	0.513	0	0	0	0.513
13	AMRIT LAL TODI	3206000	1.249	0	0	0	1.249
14	AMRIT LAL TODI	1704500	0.664	0	0	0	0.664
15	ANAND TODI	2991870	1.166	0	0	0	1.166
16	ANAND TODI	398000	0.155	0	0	0	0.155
17	ANJU AGARWAL	152740	0.06	0	0	0	0.06
18	ASHUTOSH TODI	114000	0.044	0	0	0	0.044
19	BAJRANG LAL TODI	1181680	0.46	0	0	0	0.46
20	BALDEV KUMAR AGARWAL	508000	0.198	0	0	0	0.198
21	BALDEV KUMAR AGARWAL	1520000	0.592	0	0	0	0.592
22	BANWARI LAL TODI	3660160	1.426	0	0	0	1.426
23	BANWARI LAL TODI	309280	0.121	0	0	0	0.121
24	HIMANSHU AGRAWAL	2301836	0.897	0	0	0	0.897
25	ISHWAR CHAND AGARWAL	10425801	4.062	0	0	0	4.062
26	ISHWAR CHAND AGARWAL	402920	0.157	0	0	0	0.157
27	JITENDRA AGARWAL	2434256	0.948	0	0	0	0.948
28	KAILASH CHANDRA AGARWAL	13298356	5.181	0	0	0	5.181
29	KAILASH CHANDRA AGARWAL	1245600	0.485	0	0	0	0.485
30	MANJU DEVI TODI	374040	0.146	0	0	0	0.146
31	MONISHA AGARWAL	408610	0.159	0	0	0	0.159
32	NARAYAN PRASAD TODI	1279000	0.498	0	0	0	0.498
33	NARAYAN PRASAD TODI	1203600	0.469	0	0	0	0.469

34	NISHU TODI	436000	0.17	0	0	0	0.17
35	PARUL AGARWAL	807000	0.314	0	0	0	0.314
36	PHOOS RAJ TODI	668000	0.26	0	0	0	0.26
37	PHOOS RAJ TODI	759400	0.296	0	0	0	0.296
38	RAJENDRA AGARWAL	2710485	1.056	0	0	0	1.056
39	RAJENDRA KUMAR AGARWAL	432000	0.168	0	0	0	0.168
40	RAKESH AGARWAL	4206300	1.639	0	0	0	1.639
41	RUBAL TODI	904400	0.352	0	0	0	0.352
42	SEEMA TODI	820600	0.32	0	0	0	0.32
43	SHANTI DEVI AGARWAL	1610000	0.627	0	0	0	0.627
44	SHARDA TODI	1383000	0.539	0	0	0	0.539
45	SIMPLE AGARWAL	751020	0.293	0	0	0	0.293
46	VISHNU TODI	3359000	1.309	0	0	0	1.309
47	VISHNU TODI	330000	0.129	0	0	0	0.129
TOTAL		129885907	50.606	Nil	Nil	Nil	50.606

(l)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Srl No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above}	Details of Warrants / Convertible Securities	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
1	SANTOSH INDUSTRIES LIMITED	2876361	1.121	0	1.121
2	UNO METALS LTD	2880000	1.122	0	1.122
3	MEENA A KOTHARI	4100000	1.597	0	1.597
4	MONDIP KUMAR TAMULY	47543850	18.524	0	18.524
5	RAJESH BOTHRA	6150600	2.396	0	2.396
6	VALLABH ROOPCHAND BHANSHALI	2985700	1.163	0	1.163
TOTAL		66536511	25.924	Nil	25.924

(l)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Srl No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares held	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above}	Details of Warrants / Convertible Securities	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
1.	Mondip Kumar Tamuly	47543850	18.524	0	18.524
TOTAL		47543850	18.524	Nil	18.524

(l)(d) Statement showing details of locked-in shares

Srl No.	Name of the Shareholder	Category of Shareholders (Promoter/Non-Promoter)	Number of Locked-in Shares	% of total number of shares (i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above}
1	Nil	Nil	Nil	Nil

INFORMATION ABOUT SHARE PRICE

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
Jul-14	32.00	23.25	32.35	23.10
Aug-14	33.00	23.45	32.70	23.50
Sep-14	37.70	26.80	37.70	26.75
Oct-14	29.50	22.10	29.45	22.65
Nov-14	33.50	24.75	33.40	24.55
Dec-14	32.10	23.35	32.15	23.50

Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum

Date of Issue / Allotment	No. of shares issued	Face Value	Type of Issue	Cumulative capital (No of shares)
As on 31.03.2013	15,89,06,820	Re.1/-	N.A.	15,89,06,820
18.12.2013	9,77,19,120	Re.1/-	Equity Shares allotted to the Shareholders of GPPL upon amalgamation of GPPL into GPIL pursuant to the Scheme of Arrangement	25,66,25,940
30.05.2014	21,281	Re.1/-	Equity Shares allotted upon exercise of options pursuant to the Employee Stock Option Scheme-2012 of the Company	25,66,47,221
21.08.2014	13,700	Re.1/-	Equity Shares allotted upon exercise of options pursuant to the Employee Stock Option Scheme-2012 of the Company	25,66,60,921

Details of past Public/Rights Issue

The Company has not made any public issue/rights issue in the last three years. GPIL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up.

2. GENUS PRIME INFRA LIMITED (FORMERLY GULSHAN CHEMFILL LIMITED)

Genus Prime Infra Limited was originally incorporated on 20.10.2000 under the Companies Act, 1956 as Gulshan Chemfill Limited vide certificate of registration dated 20.10.2000 issued by Registrar of Companies, Uttar Pradesh, Kanpur and received its certificate of commencement of business on 24.10.2000. The name was subsequently changed to Genus Prime Infra Limited on 21.02.2008. The Registered Office of Genus Prime Infra Limited is located at 9TH K.M. Jansath Road, Muzaffarnagar-251001, Uttar Pradesh. The Equity Shares of Genus Prime Infra Limited is listed on BSE Limited. As per its memorandum of association, Genus Prime Infra Limited is inter-alia carrying on the business of Building, construction and other related services.

FINANCIAL PERFORMANCE

The summary of audited financial statements of **Genus Prime Infra Limited** is set forth below:

(Rs. in Lacs, except share data)

Particulars	2011-12	2012-13	2013-14
Equity Share Capital	381.47	381.47	381.47
Reserves and Surplus (excluding revaluation reserve, if any)	(58.85)	(64.24)	(68.96)

Total Income	0	0	0
Profit /(Loss) after Tax	(5.08)	(5.39)	(4.72)
EPS (in Rs.)			
- Basic	(0.036)	(0.038)	(0.033)
- Diluted	(0.036)	(0.038)	(0.033)
Net Asset Value (NAV) Per Shares (in Rs.)	1.58	1.54	1.51

CAPITAL STRUCTURE AS ON DECEMBER 31 , 2014

Particulars	As on December 31, 2014
Authorized Share Capital	
3,00,00,000 Equity shares of Rs.2/- each	6,00,00,000
3,00,000 Redeemable Preference shares of Rs.100/- each	3,00,00,000
Total	9,00,00,000
Issued, Subscribed and Paid up Share Capital	
1,40,73,500 Equity shares of Rs.2 /- each fully paid up	2,81,47,000
1,00,000 Preference shares of Rs.100/- each fully paid up	1,00,00,000
Total	3,81,47,000

BOARD OF DIRECTORS

As on the date of this Information Memorandum, the board of directors of Genus Prime Infra Limited comprises of the following persons:

Name	Designation
Mr. Amit Agarwal	Whole –time Director
Mr. Kamal Kant Agarwal	Director
Mr. Rameshwar Pareek	Director
Mr. Dharam Chand Agarwal	Director

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2014

(I)(a) STATEMENT SHOWING SHAREHOLDING PATTERN

Category Code	Category of Shareholders	Number of Shareholders	Total No. of shares	Number of shares held in demated form	Total shareholding as a % of total number of shares As a percentage of		Shares pledged or otherwise encumbered	
					(A+B)1	(A+B+C)	Number of Shares	As a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=VIII/IV*100
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/H.U.F	2	118700	118700	0.84	0.84	0	0.00
(b)	Central/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	3	9447731	9447731	67.13	67.13	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(1)	5	9566431	9566431	67.97	67.97	0	0.00
(2)	Foreign							
(a)	Individuals (Non Resident)	0	0	0	0.00		0	0.00
	Foreign Nationals							
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00

(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter	5	9566431	9566431	67.97	67.97	0	0.00
(B)	Public Shareholding						NA	NA
(1)	Institutions						NA	NA
(a)	Mutual Fund/UTI	0	0	0	0.00	0.00	NA	NA
(b)	Financial Institutions/Banks	1	200	200	0.00	0.00	NA	NA
(c)	Central/State Government(s)	0	0	0	0.00	0.00	NA	NA
(d)	Venture Capital Funds	0	0	0	0.00	0.00	NA	NA
(e)	Insurance Companies	0	0	0	0.00	0.00	NA	NA
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	NA	NA
(g)	Foreign Venture Capital	0	0	0	0.00	0.00	NA	NA
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	NA	NA
	Sub-Total (B)(1)	1	200	200	0.00	0.00	NA	NA
(2)	Non Institutions							
(a)	Bodies Corporate	72	1764096	1747896	12.53	12.53	NA	NA
(b)	Individuals							
	i) Holding nominal share capital upto Rs. 1 lakh	5487	2038441	1660931	14.48	14.48	NA	NA
	ii) Holding nominal share capital in excess of Rs. 1 lakh.	3	701442	701442	4.98	4.98	NA	NA
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	NA	NA
(d)	Any Other (specify)							
(d-i)	Overseas Corporate Bodies	0	0	0	0.00	0.00	NA	NA
(d-ii)	Non Resident Individuals	6	2890	2890	0.02	0.02	NA	NA
(d-iii)	Trust	0	0	0	0.00	0.00	NA	NA
	Sub-Total (B)(2)	5568	4506869	4113159	32.02	32.02	NA	NA
	Total Public shareholding (B)=(B)(1)+(B)(2)	5569	4507069	4113359	32.03	32.03	NA	NA
	TOTAL (A)+(B)	5574	14073500	13679790	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued				NA		NA	NA
1	Promoter and Promoter Group	0	0	0	NA	0.00	NA	NA
2	Public	0	0	0	NA	0.00	NA	NA
	Sub Total (C)	0	0	0	NA	0.00	NA	NA
	GRAND TOTAL (A)+(B)+(C)	5574	14073500	13679790	NA	100.00	0	0.00

(I) b Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares of the company

Sr.No.	Name of the shareholder	Details of shares held		Encumbered			Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of Grand total of (A)+(b)+(C)	No.	As a Percentage	As a % of Grand Total of (A)+(b)+(C) of Sub Clause I (a)	
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)	(VIII)
1	Genus Paper & Boards Limited	8028826	57.05	0	0	0	57.05
2	Vivekshil Dealers Pvt. Ltd.	1411405	10.03	0	0	0	10.03
3	Kailash Industries Limited	7500	0.05	0	0	0	0.05
4	Mr Rajendra Agarwal	72000	0.51	0	0	0	0.51
5	Mr Jitendra Agarwal	46700	0.33	0	0	0	0.33
	TOTAL	9566431	67.97	0	0	0	67.97

(I) c (i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares of the company

Sr. No.	Name of the shareholder	Number of shares held	Shares as a % of total number of shares (i.e. Grand total of (A)+(B)+(C) (indicated in statement at para (I)a above)	Details of Warrants		Details of Convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				No of Warrants held	As a % of total no. of warrants of same class	No of Convertible securities	As a % of total no. of convertible securities of same class	
1	Amanat Commercial Private Ltd	525000	3.73	0		0		3.73
2	Arham Vyapaar Private Limited	533000	3.79	0		0		3.79
3	Classic Goods Private Limited	520000	3.69	0		0		3.69
4	Pushpa Chaudhary	324000	2.30	0		0		2.30
5	Gopal Chaudhary	289562	2.06	0		0		2.06
TOTAL		2191562	15.57	0		0		15.57

(I) c (ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the Company

Sr. No.	Name of the shareholder and the Person Acting in Concert (PAC) with them	Number of shares	Shares as a % of total number of shares (i.e. Grand total of (A)+(B)+(C) indicated in statement at para (I)(a) above)	Details of Warrants		Details of Convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				No of Warrants held	As a % of total no. of warrants of same class	No of Convertible securities held	As a % of total no. of convertible securities of same class	
1	NIL							NIL
TOTAL								NIL

(I) (d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares (i.e. Grand Total of (A)+(B)+(C) indicated in Statement at para (I)(a) above)
	NIL	NIL	NIL
TOTAL		NIL	NIL

List of Redeemable Preference Shareholders

S. No.	Name of Preference Shareholders	No. of Preference Shares of Rs.100/- each	% of total capital
1	Nepostal India Pvt. Ltd.	5000	5
2	Ria Marketing Services Pvt. Ltd.	5000	5
3	Namo Resorts Pvt. Ltd.	10000	10
4	Webnet Systems India Pvt. Ltd.	10000	10
5	Rahul Finlease Pvt. Ltd.	10000	10
6	Polo Leasing & Finance Pvt. Ltd.	10000	10
7	Rajkar Electronics & Electricals Pvt. Ltd.	10000	10
8	Sears Exim Pvt. Ltd.	10000	10
9	Panchvatti International (P) Ltd.	10000	10
10	Sharda India Pvt. Ltd.	10000	10
11	Upper India Sugar Mills (P) Ltd.	10000	10
Total		100000	100

INFORMATION ABOUT SHARE PRICE

Month	BSE	
	Highest	Lowest
Jul-14	6.19	4.57
Aug-14	5.85	4.94
Sep-14	10.45	5.65
Oct-14	7.65	6.65
Nov-14	7.46	5.80
Dec-14	5.55	5.03

Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum: NIL

Details of past Public/Rights Issue

The Company has not made any public issue/rights issue in the last three years.

Genus Prime Infra Limited has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up.

Genus Prime Infra Limited has made a loss of Rs 4.72 lacs in FY 2013-14.

3. GENUS ELECTROTECH LTD. ("GEL")

Genus Electrotech Ltd. was originally incorporated on 23.07.2003 under the Companies Act, 1956 as public limited company vide certificate of registration dated 23.07.2003 (Reg. No. U32109DL2003PLC121435) issued by Registrar of NCT of Delhi & Haryana, and received its certificate of commencement of business on 11.09.2003. The Registered Office of GEL is located at 76, Defense Enclave, Opp. Preet Vihar Petrol Pump, New Delhi- 110 092. The Equity Shares of Genus Electrotech Ltd. is not listed on any stock exchange.

As per its memorandum of association, Genus Electrotech Ltd. is inter-alia carrying on the business of Electronics & Electricals goods.

FINANCIAL PERFORMANCE

The summary of audited financial statements of Genus Electrotech Ltd. is set forth below:

(Rs. in Lacs, except share data)

Particulars	2011-12	2012-13	2013-14
Equity Share Capital	413.88	413.88	413.88
Reserves and Surplus (excluding revaluation reserve)	8397.85	9285.71	10187.44
Total Income	24596.62	28259.97	36934.28
Profit /(Loss) after Tax	886.28	887.86	901.73
EPS (in Rs.)			
- Basic	21.41	21.45	21.79
- Diluted	21.41	21.45	21.79
Net Asset Value (NAV) Per Shares (in Rs.)	212.91	234.36	256.15

BOARD OF DIRECTORS

As on the date of this Information Memorandum, the board of directors of Genus Electrotech Ltd. comprises of the following persons:

Name	Designation
Shri Ishwar Chand Agarwal	Chairman
Shri Vishnu Todi	Managing Director
Shri Ashutosh Todi	Additional Director

CAPITAL STRUCTURE AS ON DECEMBER 31, 2014

Particulars	As on December 31, 2014
Authorized Share Capital	
1,00,00,000 Equity shares of Rs.10 /- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid up Share Capital	
41,38,750 Equity shares of Rs.10 /- each fully paid up	4,13,87,500
Total	4,13,87,500

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2014

S. No.	Name of the Shareholders	Number of Shares (Equity Shares of Rs.10 each)	Percentage of Shareholding
1.	Ishwar Chand Agarwal	786000	18.99
2.	Vishnu Todi	696750	16.83
3.	Narayan Prasad Todi (HUF)	325000	7.85
4.	Ishwar Chand Agarwal (HUF)	359000	8.67
5.	Banwari Lal Todi	297000	7.18
6.	Phoos Raj Todi (HUF)	293000	7.08
7.	Genus Paper & Boards Ltd.	279500	6.75
8.	Amrit Lal Todi (HUF)	226000	5.46
9.	Amrit Lal Todi	179000	4.32
10.	Manju Devi Todi	170000	4.11
11.	Bajrang Lal Todi (HUF)	158000	3.82
12.	Narayan Prasad Todi	150000	3.62
13.	Rajendra Kumar Agarwal	149100	3.60
14.	Anand Todi (HUF)	50000	1.21
15.	Kailash Coal & Coke Co. Ltd.	20000	0.48
16.	Giriraj Kishore Sharma	100	0.0024
17.	Rameshwar Pareek	100	0.0024
18.	B. S. Solanki	100	0.0024
19.	Ankit Jhanjhari	100	0.0024
Total		4138750	100.00

DETAILS OF PAST PUBLIC/RIGHTS ISSUE

The GEL has not made any public issue/rights issue in the last three years.

The GEL has not been declared a sick company within the meaning of the SICA and is not under winding up.

4. VIRTUOUS URJA LIMITED ("VUL")

Virtuous Urja Limited was originally incorporated on 19.04.2007 under the Companies Act, 1956 as Genus Consumer Products Limited vide certificate of registration dated 19.04.2007 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana, and received its certificate of commencement of business on 31.05.2007. The name was subsequently changed to Genus Urja Limited on 16.06.2008. The name was subsequently changed to Virtuous Urja Limited on 24.02.2009. The Registered Office of Virtuous Urja Limited is located at D-116, Okhla Industrial Area, Phase-1, Okhla-110020, New Delhi. The equity shares of Virtuous Urja Limited are not listed on any stock exchanges.

As per its memorandum of association, Virtuous Urja Limited is inter-alia carrying on the business of trading of coal and coke and producer, manufacturer, cultivator etc of guargum, guargum powder and its derivatives.

FINANCIAL PERFORMANCE

The summary of audited financial statements of Virtuous Urja Limited is set forth below:

(Rs. in Lacs, except share data)

Particulars	2011-12	2012-13	2013-14
Equity Share Capital	1528.00	3797.31	5997.31
Reserves and Surplus (excluding revaluation reserve if any)	450.57	1849.96	1907.82
Total Income	21727.40	29288.44	38933.05
Profit /(Loss) after Tax	198.19	389.63	120.17
EPS (in Rs.)			
- Basic	1.98	3.84	0.51
- Diluted	1.98	3.84	0.51
Net Asset Value (NAV) Per Shares (in Rs.)	14.51	17.77	17.96

CAPITAL STRUCTURE AS ON DECEMBER 31, 2014

Particulars	As on December 31, 2014
Authorized Share Capital	
3,00,00,000 Equity shares of Rs. 10/- each	30,00,00,000
10,00,000 Redeemable Preference shares of Rs.100/- each	10,00,00,000
5,00,000 10 % Cumulative Redeemable Preference shares of Rs.100/- each	5,00,00,000
25,00,000 6 % Cumulative Non Convertible Redeemable Preference shares of Rs. 100/- each	25,00,00,000
Total	70,00,00,000
Issued, Subscribed and Paid up Share Capital	
2,37,93,104 Equity shares of Rs 10 /- each fully paid up	23,79,31,040
9,18,000 Preference shares of Rs.100/- each fully paid up	9,18,00,000
5,00,000 10 % Cumulative Redeemable Preference shares of Rs.100/- each	5,00,00,000
22,00,000 6 % Cumulative Non Convertible Redeemable Preference shares of Rs. 100/- each	22,00,00,000
Total	59,97,31,040

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2014

A. List of Equity Shareholders

S. No.	Name of the Shareholders	Number of Shares (Equity Shares of Rs.10 each)	Percentage of Shareholding
1.	Mr. Kailash Chandra Agarwal	1151000	4.838
2.	Mr. Ishwar Chand Agarwal	995000	4.182
3.	Mr. Himanshu Agarwal	405000	1.702
4.	Mr. Anand Todi	250000	1.051
5.	Mrs. Rakesh Agarwal	60000	0.252
6.	Mr. Jitendra Kumar Agarwal	1000	0.004
7.	Mr. Amit Kumar Agarwal	1000	0.004
8.	Mr. Rajendra Kumar Agarwal	100	0.000
9.	Mrs. Monisha Agarwal	900	0.004
10.	Mrs. Shanti Devi Agarwal	1000	0.004
11.	Genus Power Infrastructures Limited	4677586	19.66
12.	CRG Trading & Finvest Private Limited	9141897	38.422
13.	Sunima Trading Private Limited	1862069	7.826
14.	Sansar Infrastructures Private Limited	2796552	11.750
15.	Kailash Industries Limited	40000	0.168
16.	Kailash Coal & Coke Company Limited	40000	0.168
17.	Genus Paper & Boards Limited	80000	0.340
18.	Vivekshil Dealers Private Limited	2290000	9.620
	Total	23793104	100.00

B. List of Redeemable Preference Shareholders

S. No.	Name of the Shareholders	No. of Preference Shares of Rs.100/- each	% of Shareholding
1	CRG Trading & Finvest Private Limited	338000	36.82
2	Neotex Vinimay Private Limited	50000	5.45
3	Paramjyoti Traders Private Limited	50000	5.45
4	Tejaswani Commercial Private Limited	50000	5.45
5	Sansar Infrastructures Private Limited	297500	32.41
6	Sunima Trading Private Limited	132500	14.43
	Total	918000	100.00

C. List of 10 % Cumulative Redeemable Preference Shareholders

S. No.	Name of the Shareholders	No. of Preference Shares of Rs.100/- each	% of Shareholding
1	Genus Power Infrastructures Limited	5,00,000	100.00
	Total	5,00,000	100.00

D. List of 6 % Cumulative Non Convertible Redeemable Preference Shareholders

S. No.	Name of the Shareholders	No. of Preference Shares of Rs.100/- each	% of Shareholding
1	Genus Power Infrastructures Limited	22,00,000	100.00
	Total	22,00,000	100.00

BOARD OF DIRECTORS

As on the date of this Information Memorandum, the board of directors of **Virtuous Urja Limited** comprises of the following persons:

Name	Designation
Mr. Ishwar Chand Agarwal	Director
Mr. Kailash Chandra Agarwal	Managing Director
Mr. Surendra Agarwal	Director
Mr. Harshvardhan Agarwal	Director

DETAILS OF PAST PUBLIC/RIGHTS ISSUE

The VUL has not made any public issue/rights issue in the last three years.

The VUL has not been declared a sick company within the meaning of the SICA and is not under winding up.

5. GENUS INNOVATION LIMITED ("GIL")

Genus Innovation Limited was originally incorporated on 27.01.1998 under the Companies Act, 1956 as K.C. Mercantile Limited vide certificate of registration dated 27.01.1998 issued by Registrar of Companies, Rajasthan, and received its certificate of commencement of business on 27.02.1998. The name was subsequently changed to Genus Innovation Limited on 09.05.2005. The registered office of GIL was shifted from the State of Rajasthan to the State of Uttarakhand vide order of Regional Director (NWR), Ahmedabad, dated 26.09.2014 and certificate issued by the Registrar of Companies, Uttarakhand on 28.10.2014. The Registered Office of GIL is located at Plot No 22, Begumpur industrial Area, IP-IV, Bahadradab, Haridwar, Uttarakhand-249402. The equity shares of Genus Innovation Limited are not listed on any stock exchanges.

As per its memorandum of association, Genus Innovation Limited is inter-alia carrying on the business of manufacture, produce, design, develop and to act as agent, contractor, collaborators to deal in all types of electric and electronic meters, inverters, UPS, metering software, electronic digital products software etc.

FINANCIAL PERFORMANCE

The summary of audited financial statements of Genus Innovation Limited is set forth below:

(Rs. in Lacs, except share data)

Particulars	2011-12	2012-13	2013-14
Equity Share Capital	314.14	314.14	372.53
Reserves and Surplus (excluding revaluation reserve if any)	998.60	1650.40	3517.68
Total Income	6556.79	10876.83	17152.29
Profit /(Loss) after Tax	360.02	651.81	1490.67
EPS (in Rs.)			
- Basic	11.46	20.75	41.77
- Diluted	11.46	20.75	41.77
Net Asset Value (NAV) Per Shares (in Rs.)	41.79	62.54	104.43

BOARD OF DIRECTORS

As on the date of this Information Memorandum, the board of directors of Genus Innovation Limited comprises of the following persons:

Name	Designation
Narayan Prasad Todi	Whole-time director
Amrit Lal Todi	Director
Ramachandran Viswanathan	Director

CAPITAL STRUCTURE AS ON DECEMBER 31, 2014

Particulars	As on December 31, 2014
Authorized Share Capital	
60,00,000 Equity shares of Rs. 10 /- each	6,00,00,000
Total	6,00,00,000
Issued, Subscribed and Paid up Share Capital	
37,25,291 Equity shares of Rs 10 /- each fully paid up	3,72,52,910
Total	3,72,52,910

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2014

S. No.	Name of the Shareholders	Number of Shares (Equity Shares of Rs. 10 each)	Percentage of Shareholding
1.	Amit Agarwal	2400	0.06
2	Amrit Lal Todi	3500	0.09
3	Amrit Lal Todi (HUF)	2500	0.07
4	Anand Todi	2000	0.05
5	Anand Todi (HUF)	2500	0.07
6	Anju Agarwal	200000	5.37
7	Bajrang Lal Todi (HUF)	2000	0.05
8	Baldev Kumar Agarwal	2500	0.07
9	Baldev Kumar Agarwal (HUF)	2000	0.05
10	Banwari Lal Todi	2500	0.07
11	Banwari Lal Todi (HUF)	28000	0.75
12	Himanshu Agarwal	2000	0.05
13	Ishwar Chand Agarwal	312400	8.39
14	Ishwar Chand Agarwal (HUF)	232400	6.24
15	Indra Kanwari Todi	2000	0.05
16	Jitendra Kumar Agarwal	488500	13.11
17	Kailash Chandra Agarwal	175600	4.71
18	Manju Devi Todi	2000	0.05
19	Rama Todi	2000	0.05
20	Monisha Agarwal	200000	5.37
21	Narayan Prasad Todi (HUF)	312000	8.38
22	Narayan Prasad Todi	102600	2.75
23	Nishu Todi	2300	0.06
24	Parul Agarwal	2500	0.07
25	Phoosh Raj Todi (HUF)	2000	0.05
26	Rajendra Agarwal	381800	10.25
27	Rajendra Kumar Agarwal (HUF)	250000	6.71
28	Rubal Todi	7000	0.19

29	Sarita Devi Todi	2000	0.05
30	Seema Todi	197500	5.30
31	Shanti Devi Agarwal	202400	5.43
32	Sharda Devi Todi	2500	0.07
33	Simple Agarwal	2400	0.06
34	Rakesh Agarwal	2500	0.07
35	Vishnu Todi	2500	0.07
36	Vishnu Todi (HUF)	2600	0.07
37	Genus Power Infrastructures Limited	536912	14.41
38	Sunima Trading Private Limited	46979	1.26
Total		3725291	100

DETAILS OF PAST PUBLIC/RIGHTS ISSUE

The GIL has not made any public issue/rights issue in the last three years.

The GIL has not been declared a sick company within the meaning of the SICA and is not under winding up.

Dissociation

Our promoters have not disassociated themselves from any of the Companies/firms during the last three years.

Common Pursuits

None of our Group Company is engaged in activities similar to those conducted by us.

Sick Companies

None of the companies forming part of promoter group companies have become sick company within the meaning of Sick Industrial Companies (Special Provisions) Act 1985 and none of them is under winding up. Additionally, none of our group companies have become defunct in the five years preceding the date of filing of this information memorandum and no application had been made in respect of any of the group companies to the relevant RoC for striking off their name.

Sales or Purchases between Companies in the Group

Except as mentioned under Related Party Transactions, under section titled "Financial Information" beginning on page 109 of this Information Memorandum there is no Sales or Purchases between Companies in the Group.

Business Interests amongst our Company and Group Companies /Associate Companies

Except as mentioned under Related Party Transactions section titled "Financial Information" beginning on page 109 of this Information Memorandum there is no business interest amongst Group Companies.

Changes in Accounting Policies since incorporation

There have been no changes in the accounting policies since incorporation.

DIVIDEND POLICY

The Company does not have any formal dividend policy vis a vis the equity shares. The declaration and payment of equity dividend in a company is recommended by our Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Company has not paid any dividend on its equity shares so far.

SECTION-V FINANCIAL INFORMATION

FINANCIAL STATEMENTS (Standalone)

Independent Auditor's Report

To,
The Board of Director
Genus Paper & Boards Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of Genus Paper & Boards Limited ("the Company"), which comprise the Balance Sheet as at 30th September, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the half year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in the Companies Act, ("the Act") read with general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th September, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the half period ended on that date; and
- (iii) in the case of the Cash Flow Statement, of cash flows for the half year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 147 (3) of the Act, we report that:

- a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company, so far as appears from our examinations of the books;
- c. The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement, dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, comply with the Accounting Standards referred in the Act / General Circular.
- e. On the basis of the written representations received from the Directors as on September 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 2014 from being appointed as a Director in terms of section 164 (2) of the Act.

For **Pradeep Hari & Co.**

Chartered Accountants

ICAI Firm registration no. 006542C

Pradeep Kapoor

Proprietor

Membership No. 074491

Moradabad, December 26, 2014

BALANCE SHEET AS AT 30th SEPTEMBER 2014			
	Note	Rupees	30-09-14 Rupees
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	257125940.00	
Reserves & Surplus	2	2820450210.87	3077576150.87
NON-CURRENT LIABILITIES			
Long Term Borrowings	3	215067475.00	
Deferred Tax Liability	4	176754476.00	
Long Term Provisions	5	3198823.00	395020774.00
CURRENT LIABILITIES			
Short Term Borrowings	6	296152019.54	
Trade Payables	7	266083250.00	
Other Current Liabilities	8	96931371.00	
Short Term Provisions	9	11094681.00	670261321.54
Total			4142858246.41
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	10		
Tangible Assets		1703040656.00	
Capital Work-in-Progress		309700612.00	2012741268.00
Non-Current Investments	11		142742167.65
Other Non Current Assets	12		715969490.00
CURRENT ASSETS			
Inventories	13	524449109.00	
Trade Receivables	14	452156513.95	
Cash and cash equivalents	15	64623654.10	
Short term loans and advances	16	226115982.71	
Other Current Assets	17	4060061.00	1271405320.76
Total			4142858246.41
Significant Accounting Policies	1 to		
Notes on Financial Statement	36		
<p>As per our report attached For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C</p> <p>Pradeep Kapoor Proprietor Membership No. 074491 Moradabad, December 26, 2014</p>			
<p>for and on behalf of the Board</p> <p>Kailash C. Agarwal Mg. Director DIN - 00895365</p> <p>Sanjay Agarwal (Chief Financial Officer)</p> <p>Himanshu Agarwal Wt. Director DIN - 00065185</p> <p>Ankit Agarwal Company Secretary</p>			

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON 30th SEPTEMBER, 2014			
	Note		30-09-14 Rupees
INCOME			
Revenue from Operations	18	1428566517.00	
Less: Excise Duty		97690250.00	1330876267.00
Other Income	19		27375950.00
Total Revenue			1358252217.00
EXPENDITURE			
Purchases/Consumption of Material	20		923391743.00
Change in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21		36831334.00
Employees Benefit Expenses	22		25995330.00
Finance Cost	23		25859223.51
Depreciation & Amortisation Expenses	24		43160348.00
Other Expenses	25		227686713.64
Total Expenses			1282924692.15
Profit/(Loss) before Taxation			75327524.85
Tax Expenses			
Current tax			22920569.00
Deferred tax			825310.00
Profit for the year			51581645.85
Earning Per Equity Share (Face value Re. 1/- each) -Basic & Diluted -Annualised (in Rupees)	26		0.40
Significant Accounting Policies Notes on Financial Statement	1 to 36		
<p>As per our report attached For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C</p> <p>Pradeep Kapoor Proprietor Membership No. 074491</p> <p>Moradabad, December 26, 2014</p>			
<p>for and on behalf of the Board</p> <p>Kailash C. Agarwal Mg. Director DIN - 00895365</p> <p>Sanjay Agarwal (Chief Financial Officer)</p> <p>Himanshu Agarwal Wt. Director DIN - 00065185</p> <p>Ankit Agarwal Company Secretary</p>			

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED AS ON 30.09.2014			
		30-09-14	
		Rupees	Rupees
A. Cash Flow from Operating Activities			
a. Net profit before tax and exceptional item		75327524.85	
Adjustments for:			
Depreciation		43017366.00	
Interest expenses		25859223.51	
Interest income		(26925472.00)	
Dividend income		(426278.00)	
Profit on sale of fixed assets		-	
Profit on sale of Shares		-	
Preliminary expenses written off		142982.00	
b. Operating profit before working capital changes		116995346.36	
Adjustments for:			
Trade and Other Receivables		(36476417.27)	
Inventories		(81016831.00)	
Other current assets		87970212.65	
Current liabilities & provisions		(5226316.41)	
c. Cash generated from Operations		82245994.33	
Direct Taxes paid (Net)		(22920569.00)	
Cash from operating activities		59325425.33	
Net Cash from Operating Activities			59325425.33
B. Cash Flow from Investing Activities			
Purchase of fixed assets		(189577608.00)	
Sale of fixed assets		-	
Sale (Purchase) of Investments (Net)		-	
Interest received		26925472.00	
Dividend received		426278.00	
Net Cash from / (used in) investing activities			(162225858.00)
C. Cash Flows from Financing Activities			
Proceeds from issuance of share capital/app.money		-	
Proceeds from borrowings		184526271.66	
Repayments of borrowings		(53284000.00)	
Interest paid		(25859223.51)	
Dividend paid (includes corporate dividend tax)		-	
Net Cash from / (used in) financing activities			105383048.15
D. Net increase/(Decrease) in cash and cash equipment			2482615.48
Cash and Cash equivalent at beginning of the year			62141038.62
Add: On Scheme of arrangement [Refer to Note 34]			-
Cash and Cash equivalent at end of the year			64623654.10
(Cash and Cash equivalent represent Cash and Bank balances)			2482615.48
Note: Transaction arising out of scheme of arrangement as stated in note 34 is a non cash transaction, save as stated above not considered in above cash flow workings.			
<div> <p>As per our separate report attached</p> <p>For Pradeep Hari & Co.</p> <p>Chartered Accountants</p> <p>Firm Regn. No. 006542C</p> <p>Pradeep Kapoor</p> <p>Proprietor</p> <p>Membership No. 074491</p> <p>Moradabad, December 26, 2014</p> </div> <div> <p>for and on behalf of the Board</p> <p>Kailash C. Agarwal</p> <p>Mg. Director</p> <p>DIN - 00895365</p> <p>Sanjay Agarwal</p> <p>(Chief Financial Officer)</p> </div> <div> <p>Himanshu Agarwal</p> <p>Wt. Director</p> <p>DIN - 00065185</p> <p>Ankit Agarwal</p> <p>Company Secretary</p> </div>			

NOTE 36

Significant accounting Policies

1. Basis of preparation of financial statements

The financial statements have been prepared on accrual basis following the historical cost convention in accordance with the Accounting Standards referred to in section 133 and other requirements of the Companies Act, 2013.

2. Use of Estimates

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

3. Revenue Recognition

(i) Revenue from sale of products is recognized when the risk and reward of ownership of the product is passed on to the customers, which is generally on dispatch of goods. Sales are stated exclusive of Sale/Trade tax

(ii) Dividend income is recognized when the unconditional right to receive the income is established.

(iii) Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

4. Fixed Assets

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

5. Depreciation

Depreciation on the assets has been provided on Straight Line Method at the rates prescribed in part "C" of Schedule II to the Companies Act, 2013. And Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets, generally in accordance with the provision of Schedule II to the Act. The consequential impact (after considering the transition provision specified in Schedule II) on the depreciation charged and on the results for the half year is not material.

6. Impairment of Assets

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

7. Foreign Currency Transactions

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

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

8. Investments

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

9. Inventories

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

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

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

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

10. Preliminary Expenses

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

11. Retirement benefits

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

12. Borrowing Costs

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

13. Provision for Current Tax & Deferred Tax

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

14. Accounting of CENVAT Credit

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

15. Provision, Contingent Liabilities and Contingent Assets

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

NOTE 1 SHARE CAPITAL			
			30-09-14
		Rupees	Rupees
AUTHORIZED			
	260000000 Equity Shares of Re.1/-each		260000000.00
			260000000.00
ISSUED, SUBSCRIBED AND PAID UP			
	257125940 Equity Shares of Rs. 1/- each fully paid up		257125940.00
			257125940.00
The details of Shareholders holding more than 5 % shares :			
		As at	
Name of Shareholder		30th Sept, 2014	
		No. of Shares	% held
Mr. Kailash Chandra Agarwal		13298366	5.17
Vivekshil Dealers Private Ltd.		23736757	9.23
Mr. Mondip Kumar Tamuly (As Trustee of Genus Shareholders Trust)		47543850	18.49
The reconciliation of the number of Equity shares outstanding is set out below :			
		As at	
Particulars		30th Sept, 2014	
		No. of Shares	
Equity Shares as at 1.4.2014		257125940	
Add: Shares issued during the period		-	
Equity Shares as at 30.9.2014		257125940	
NOTE 2 RESERVES & SURPLUS			
			30-09-14
		Rupees	Rupees
Profit & Loss Account			
	As per last balance sheet	302994509.02	
	Add: Profit for the period	51581645.85	354576154.87
Business Reconstruction Reserve			
	As per last balance sheet		2465874056.00
			2820450210.87
NOTE 3 LONG TERM BORROWINGS			
			30-09-14
		Rupees	Rupees
		Current	Non-current
From Banks - Secured			
	Rupee Loans	53284000.00	201953575.00
From Others - Unsecured			
	-Other Parties-ICDs	-	13113900.00
		53284000.00	215067475.00
Securities			
1(a)	Term loan from PNB -INR Rs. 253381756.00 is secured by exclusive first charge on entire fixed assets of the company other than fixed assets of Paper & Particle Board division save and except assets charged to other Bank to rank "pari passu" between other lenders and further secured by securities mentioned at 2 below on "pari passu" basis.		
(b)	The above facilities are further secured by first charge on Land, Building and Plant & machinery of steel division, land & building of administrative block and residential colony save and except first "pari passu" charge on certain personal assets of promoters and directors.		
2.	Term loan of Rs. 1855819.00 from Punjab National Bank is secured by hypothecation of vehicles.		

NOTE 4 DEFERRED TAX LIABILITY			
			30-09-14
		Rupees	Rupees
Deferred Tax Liability			
	Related to fixed assets		176754476.00
Deferred Tax Asset			
	Disallowance under Income tax Act, 1961		-
Net Deferred Tax Liability			176754476.00
			Rupees
	Opening Balance		175929166.00
	Add: Deferred Tax Liability		825310.00
	Less: Deferred Tax Assets		-
	Closing Balance		176754476.00
NOTE 5 LONG TERM PROVISIONS			
			30-09-14
		Rupees	Rupees
	Provision for Employees Benefits		3198823.00
			3198823.00
NOTE 6 SHORT TERM BORROWINGS			
			30-09-14
		Rupees	Rupees
	From Banks - Secured		
	Rupee Loans		296152019.54
	From Others - Unsecured		
	- Other Parties		-
			296152019.54
Securities			
1(a)	Working Capital Loan from SBI Rs. 215287085.32 is secured by exclusive first charge by way of hypothecation of entire current assets (existing & future) including all stocks & receivables pertaining to steel division and co-gen. power plant of the company save and except assets charged to PNB to rank pari passu between lenders at 2 below. Further secured by securities mentioned at 2 below on pari passu basis		
(b)	The above facilities are further secured by first charge on Land, Building and Plant & machinery of steel division, land & building of administrative block and residential colony. save and except first "pari passu" charge on certain personal assets of promoters and directors.		
2.	Working Capital Loan of Rs. 80864934.22 from PNB is secured by hypothecation of entire current assets (present & future) of the Multi-layered kraft paper unit save and except assets charged to bank to rank "pari passu" between lenders at para 1.		
NOTE 7 TRADE PAYABLES			
			30-09-14
		Rupees	Rupees
	Sundry Creditors		
	-Due to Micro, Small & Medium Enterprises	-	
	-Due to Others	266083250.00	266083250.00
			266083250.00

NOTE 8 OTHER CURRENT LIABILITIES										
									30-09-14	
								Rupees	Rupees	
	Current maturities of long term debt (Refer Note No. 03)								53284000.00	
	Others									
	-Creditors for Capital Expenditure							5542099.00		
	-Payable to Others							2306155.00		
	-Salaries & benefits							3358637.00		
	-Provision for expenses							22315658.00		
	-Withholding and Other tax payable							9972310.00		
	-Advance from customers							152512.00	43647371.00	
									96931371.00	
NOTE 9 SHORT TERM PROVISIONS										
									30-09-14	
								Rupees	Rupees	
	PROVISIONS									
	For Employees Benefits							514553.00		
	For Others									
	-Provision for Income tax (net of prepaid taxes)							10580128.00	11094681.00	
									11094681.00	
NOTE 10 FIXED ASSETS AS AT 30-09-2014										
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-4-14	Additions during the period	Deductions / Transfer	As at 30-09-14	As at 1-4-14	For the period	Adjustments	As at 30-09-14	As at 30-09-14	As at 31-3-14
Tangible Assets										
Land	547444186.00	-	-	547444186.00	-	-	-	-	547444186.00	547444186.00
Residential Building	17215300.00	-	-	17215300.00	841827.00	136373.00	-	978200.00	16237100.00	16373473.00
Factory Building	78991600.00	-	-	78991600.00	7914957.00	1255448.00	-	9170405.00	69821195.00	71076643.00
Plant & Machinery	1264422739.00	372030.00	-	1264794769.00	179476908.00	40130556.00	-	219607464.00	1045187305.00	1084945831.00
Furniture & fixtures	5857123.00	259716.00	-	6116839.00	716227.00	459872.00	-	1176099.00	4940740.00	5140896.00
Computers	1451847.00	120037.00	-	1571884.00	519758.00	231896.00	-	751654.00	820230.00	932089.00
Vehicles	24589475.00	945000.00	-	25534475.00	6141354.00	803221.00	-	6944575.00	18589900.00	18448121.00
Sub Total (A)	1939972270.00	1696783.00	-	1941669053.00	195611031.00	43017366.00	-	238628397.00	1703040656.00	1744361239.00
Capital W I P	121819787.00	187880825.00	-	309700612.00	-	-	-	-	309700612.00	121819787.00
Sub Total (B)	121819787.00	187880825.00	-	309700612.00	-	-	-	-	309700612.00	121819787.00
Total (A+B)	2061792057.00	189577608.00	-	2251369665.00	195611031.00	43017366.00	-	238628397.00	2012741268.00	1866181026.00
As at 31.3.2014	1934337641.00	121819787.00	867001.00	2061792057.00	195791071.00	72480758.00	180040.00	195611031.00	1866181026.00	-

NOTE 11 NON CURRENT INVESTMENT			
			30-09-14
		Rupees	Rupees
Other Investment			
In Equity Shares - Quoted, fully paid up			
A. Subsidiaries			
	8028826 Genus Prime Infra Ltd of Rs. 2/- each (Formerly Gulshan Chemfill Ltd.) (Previous year 8028826)	64230608.00	
B. Others			
	195139 GHCL Ltd. (Previous Year 195139) of Rs. 10/- each	7805559.65	72036167.65
In Equity Shares - Unquoted, fully paid up			
A. Associates			
	17600 Virtuous Paper & Urja Ltd. (Previous Year 17600) of Rs. 10/- each		176000.00
B. Others			
	279500 Genus Electrotech Ltd. (Previous year 279500) of Rs. 10/- each	17500000.00	
	80000 Virtuous Urja Ltd. (Previous year 80000) of Rs. 10/- each	800000.00	
	12500 Virtuous Infra Ltd. (Previous year 12500) of Rs. 10/- each	125000.00	
	10000 Indo Global Papers Ltd. (Previous year 10000) of Rs. 10/- each	100000.00	
	800 Rajasthan Assets Management Co. Pvt Ltd. (Previous year 800) of Rs. 100/- each	80000.00	
	400000 Abhideep Global Finance Pvt Ltd. (Formerly Cube Fintex Pvt Ltd.) (Previous year 400000) of Rs. 10/- each	40000000.00	
	477000 Kailash Coal & Coke Co. Ltd. (Previous year 477000) of Rs. 10/- each	11925000.00	70530000.00
			142742167.65
	Aggregate value of quoted investment Book Value	72036167.65	
	Market Value	77815746.41	
	Aggregate value of unquoted investment Book Value	70706000.00	
NOTE 12 OTHER NON CURRENT ASSETS			
			30-09-14
		Rupees	Rupees
	Loan & Advances		714968614.00
	Miscellaneous expenditure (to the extent not written off or adjusted)		1000876.00
			715969490.00
NOTE 13 INVENTORIES			
			30-09-14
		Rupees	Rupees
	Raw Materials & Chemicals	241575656.00	
	Finished Goods	73433433.00	
	Stock in Process	1937600.00	
	Stores & spares	207502420.00	524449109.00
			524449109.00

NOTE 14 TRADE RECEIVABLES			
			30-09-14
		Rupees	Rupees
Sundry Debtors (Unsecured, Considered Good)			
-due for more than six months	2925406.00		
-others	449231107.95		452156513.95
			452156513.95
NOTE 15 CASH AND CASH EQUIVALENTS			
			30-09-14
		Rupees	Rupees
Cash in hand	2389382.71		
With Banks			
-on current account	17013894.39		
-on term deposit	45220377.00		64623654.10
			64623654.10
NOTE 16 SHORT TERM LOANS AND ADVANCES			
			30-09-14
		Rupees	Rupees
Unsecured - (Considered Good Unless Otherwise Stated)			
Advances recoverable in cash or kind or for value to be received	115136768.51		
Security Deposits	5580350.00		
Balance with Revenue Authorities	77112209.20		
MAT Credit Entitlement	28286655.00		226115982.71
			226115982.71
NOTE 17 OTHER CURRENT ASSETS			
			30-09-14
		Rupees	Rupees
Accrued interest on term deposits			4060061.00
			4060061.00
NOTE 18 REVENUE FROM OPERATION			
			30-09-14
		Rupees	Rupees
Sale of Products			
Kraft Paper	1162495447.00		
M.S.Ingot	263507507.00		
Waste Fiber Sheet	-		
High Seas Sales (Paper)	2563563.00		1428566517.00
			1428566517.00
NOTE 19 OTHER INCOME			
			30-09-14
		Rupees	Rupees
Interest received from Bank			2187581.00
Interest income received from Others			24737891.00
Dividend from Investments			426278.00
Misc. receipts			24200.00
Profit on Sale of Fixed Assets			-
Profit on Sale of investments			-
			27375950.00

NOTE 20 PURCHASES / CONSUMPTION OF MATERIAL			
			30-09-14
a)	Raw Materials including chemicals consumed	% of	Rupees
		Consumption	
	Imported	42.90	381240718.00
	Indigenous	57.10	507508516.00
			888749234.00
b)	Stores & Spares consumed		
	Imported	-	-
	Indigenous	100.00	32102042.00
			32102042.00
c)	High Seas Purchases (Paper)		2540467.00
			923391743.00
NOTE 21 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE			
			30-09-14
		Rupees	Rupees
	Inventories (at commencement)		
	-Finished Goods	111643992.00	
	-Stock in Process	1937600.00	
		113581592.00	
	Inventories (at close)		
	-Finished Goods	73433433.00	
	-Stock in Process	1937600.00	
		75371033.00	38210559.00
			38210559.00
	Excise Duty on Increase/ (Decrease) of Finished Goods		(1379225.00)
			36831334.00
NOTE 22 EMPLOYEES BENEFIT EXPENSES			
			30-09-14
		Rupees	Rupees
	Salaries, wages & allowances		24665714.00
	Contribution to Funds		857289.00
	Welfare exp.		472327.00
			25995330.00
NOTE 23 FINANCE COST			
			30-09-14
		Rupees	Rupees
	Interest on Working Capital Loan		21123514.00
	Interest on Term Loan		3309488.00
	Financial charges		1426221.51
	Difference in exchange		-
			25859223.51
NOTE 24 DEPRECIATION AND AMORTISATION EXPENSES			
			30-09-14
		Rupees	Rupees
	Depreciation		43017366.00
	Amortisation & Write offs		142982.00
			43160348.00

NOTE 25 OTHER EXPENSES			
			30-09-14
		Rupees	Rupees
Manufacturing Expenses			
Power & Fuel		202449294.00	
Repairs & maintenance (Plant & Machinery)		4637457.00	
Repairs & maintenance (Others)		356995.00	
Other expenses		29700.00	207473446.00
Establishment Expenses			
Printing & stationery		272892.00	
Postage, telephone & telegram		540688.00	
Travelling, conveyance & vehicle running exp.		2393209.64	
Auditors' remuneration		62500.00	
Electricity Expenses		492930.00	
Insurance charges (net of recoveries)		1792598.00	
Legal & Professional charges		178450.00	
Advertisement & Publicity		18544.00	
Security services		134443.00	
Rent		1382500.00	
Rates & taxes		499956.00	
Rebate & discount		990111.00	
Commission on Sales		2976763.00	
Freight & forwarding (outward)		8394187.00	
Misc.exp.		83496.00	20213267.64
			227686713.64
NOTE 25.1 PAYMENT TO AUDITORS			
Audit Fee			50000.00
Taxation			12500.00
			62500.00
NOTE 26 EARNINGS PER SHARE (BASIC & DILUTED)			
			30-09-14
		Rupees	Rupees
Basic & diluted Earning per Share			
a	Net Earning		51581645.85
b	Cash Earning		94599011.85
c	Weighted Average No. of Equity Shares of Re. 1/- each (Nos)		257125940
	Weighted Average No. of Equity Shares after Dilution		257125940
d	Basic & Diluted Earning per share Annualised (Rs.)		0.40
e	Cash Earning (Basic & Diluted) per shares-Annualised (Rs.)		0.74
NOTE 27 VALUE OF IMPORT ON CIF BASIS			
			30-09-14
		Rupees	Rupees
Imports during the year [CIF value]			
Raw Material			351693928.00
Stores and Spares parts			-
Capital Goods			-
			351693928.00
NOTE 28 EXPENDITURE IN FOREIGN CURRENCY			
			30-09-14
		Rupees	Rupees
	-Interest on foreign currency loan		-
	-Travelling expenses		-
			0.00

NOTE 29 EARNINGS IN FOREIGN CURRENCY			
			30-09-14
		Rupees	Rupees
	Earning in Foreign currency		-
			-
NOTE 30 CONTINGENT LIABILITIES AND COMMITMENTS			
			30-09-14
	Contingent Liabilities not provided for in respect of :		(Rs. In lac)
a.	Guarantees given by the Bankers on behalf of the Company(Net of		118.92
b.	Disputed demands under:		
	Sales Tax/Commercial Tax		42.53
	Factories Act		2.75
	Central Excise and Service Tax		38.34
NOTE 31 DIRECTOR'S REMUNERATION			
			30-09-14
	Salaries to Managing and Whole Time Directors		6512903.00
	Computation of Managerial Remuneration:		
	Profit before tax as per Profit & Loss Account		75327524.85
Add:	Director's Remuneration		6512903.00
			81840427.85
Less:	Profit on sales of Fixed Assets		0.00
	Profit on sales of shares		0.00
	Net Profit as per section 198 of the Companies Act, 2013		81840427.85
	Maximum permissible remuneration to whole time directors under section 198 of the Companies Act, 2013 @ 10% of the Profit computed above		8184042.78
NOTE 32 RELATED PARTY DISCLOSURE			
Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below:			
a. Key Management Personnel		: Ishwar Chand Agarwal : Kailash Chandra Agarwal : Himanshu Agarwal	
b. Relatives of Key Managerial Personnel		: NIL	
c. Enterprises controlled by Key Management personnel and Individuals having significant influence		: Genus Power Infrastructure Ltd. : Genus Electrotech Ltd. : Kailash Coal and Coke Co. Ltd : Virtuous Urja Ltd. : J.C.Textile Pvt.Ltd.	
d. Subsidiary		: Genus Prime Infra Limited : Sunima Trading Pvt. Limited * : Sansar Infrastructure Pvt. Limited * : Star Vanijya Pvt. Limited *	
e. Associates		: Virtuous Paper & Urja Limited	
* Subsidiary Companies of Genus Prime Infra Ltd			

Related Party Transactions:								
S. No.	Particulars		Subsidiary	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Where Significant Influence exist	Total
1	Sales & Services	30.09.2014	-	-	-	-	-	-
2	Interest and Other Income	30.09.2014	-	-	-	-	-	-
3	Purchase of goods/Payment for other services	30.09.2014	-	-	-	-	41902606.00	41902606.00
4	Interest paid	30.09.2014	-	-	-	-	-	-
5	Dividend received	30.09.2014	-	-	-	-	-	-
6	Sale of Fixed Assets	30.09.2014	-	-	-	-	-	-
7	Outstanding Balances As on 30-09-2014							
	-Debtors	30.09.2014	-	-	-	-	-	-
	-Creditors	30.09.2014	-	-	-	-	-	-
	-Loans & advances	30.09.2014	-	-	-	-	-	-
	-Unsecured Loan	30.09.2014	-	-	-	-	-	-
	-Investment	30.09.2014	-	-	-	-	-	-
8	Guarantees & collaterals	30.09.2014	-	-	-	-	-	-
9	Remuneration to key managerial personnel	30.09.2014	-	-	6512903.00	-	-	6512903.00

NOTE 33 SEGMENT REPORTING

a. Primary Segment Reporting (by business segment)

1.	Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organizational structure as well as the differential risk and returns of these segments. Detail of products included in each of the segments are as under:		
	Paper	Kraft Paper	
	Steel	M.S. Ingot	
2.	Information about Business Segments :		
A	SEGMENT REVENUE		30.09.2014
	Paper		1165059010.00
	M.S.Ingot		263507507.00
	Gross Turnover		1428566517.00
	Less : Excise Duty		97690250.00
	Net Turnover		1330876267.00
	Others (Unallocated)		27375950.00
			1358252217.00
B	SEGMENT RESULTS		
	Paper		74822235.47
	M.S.Ingot		505289.38
	Profit Before Tax		75327524.85

	Provision for Current Tax			22920569.00
	Deferred Tax			825310.00
				51581645.85
C	CAPITAL EMPLOYED			
	(Segment Assets - Segment Liabilities)			
	Paper			2314343101.86
	M.S.Ingot			112768519.55
	Unallocated			1045485303.46
	Total Capital Employed			3472596924.87
b.	Secondary Segment Reporting (by geographic segment) - There is no different Geographical Segments, hence not			
NOTE 34				
	In terms of the scheme of arrangement under section 391 and 394 of the Companies Act, 1956 ("the Scheme) amongst Genus Power Infrastructures Limited ("GPIL"), the Company and Genus Paper Products Limited ("GPPL"), GPIL has re-organized and segregated by way of a demerger, its business and undertaking engaged in manufacturing and trading of all kinds and classes of papers and boards, steel and the undertaking of managing, supervising, controlling and making non power investments to the company. All the assets and liabilities are transferred to the Company pursuant to order of the Hon'ble High Court of judicature at Allahabad dated 29.10.2013 and the same has been filed with the Registrar of Companies on 29.11.2013 and the appointed date as per the Scheme is 1st April 2011.			
	As per the said scheme;			
a.	All the properties, investments, assets and liabilities related to Paper & Boards, Steel and Non Power Investment undertaking/divisions of GPIL are transferred and vested in the Company on a going concern basis with effect from 1.4.2011			
b.	The said transfer has been affected at the values appearing in the books of GPIL and recorded as such in the books of account of the Company. The value of assets over liabilities as on that date aggregates to Rs. 2722499996.00.			
c.	In consideration of the demerger, the Company has issued and allotted 256625940 equity shares to the shareholders of GPIL in the ratio of one equity share of face value of Re. 1/- each fully paid up in the Company for every one equity share of Re. 1/- each fully paid up held by the shareholders of GPIL ranking pari passu with the existing equity shares of the Company save and except in relation to dividends, if any, to which they may be entitled to, as and from the Appointed Date. The New Equity Shares of the Company issued on Demerger shall, subject to completion of applicable procedures, be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and shall remain frozen in the depositories system till listing/trading permission is given by the Bombay Stock and the National Stock Exchange of India Limited.			
d.	Excess of net assets so recorded over the amount of share capital issued amounting to Rs. 2465874056.00 is recognized in these financial statements, and as stipulated in the Scheme, is disclosed as a free reserve with the nomenclature "Business Reconstruction Reserve".			
e.	As and from the Appointed Date and up to and including the Effective Date, GPPL (in relation to Paper & Boards and Steel Undertaking) and GPIL (in relation to Non Power Investment Undertaking) are deemed to have been carrying on all the business and activities on behalf of the Company and the profit for this period (Net of taxes, Deferred Tax and Minimum Alternate Tax credit) amounting to Rs. 200039100.35 is recognized in these financial statements as the profits and taxes of the Company.			
NOTE 35				
	Financial information of Subsidiary Companies as required by first proviso to section 129 (3) read with rule 5 of companies (Accounts) rule 2014 of the Companies Act, 2013 for the period ended 30.09.2014 are separately enclosed.			
As per our report attached				
For Pradeep Hari & Co.		for and on behalf of the Board		
Chartered Accountants				
Firm Regn. No. 006542C				
Pradeep Kapoor		Kailash C. Agarwal	Himanshu Agarwal	
Proprietor		Mg. Director	Wt. Director	
Membership No. 074491		DIN - 00895365	DIN - 00065185	
Moradabad, December 26, 2014		Sanjay Agarwal	Ankit Agarwal	
		(Chief Financial Officer)	Company Secretary	

FORM AOC - I					
Statement pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014					
Part 'A' : Subsidiaries					
S.No.	Particulars	(Amount in Rs.)			
1	Name of the Subsidiary Company	Genus Prime Infra Limited	Sansar Infrastructure Private Limited	Sunima Trading Private Limited	Star Vanijya Private Limited
2	Half year of the subsidiary companies ended on	30.09.2014	30.09.2014	30.09.2014	30.09.2014
3	Date from which it became subsidiary	29.11.2013	29.11.2013	29.11.2013	29.11.2013
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-	-	-	-
6	Share Capital (Equity & Preference)	38147000.00	3306000.00	3400000.00	3768000.00
7	Reserves & Surplus (Net of Debit balance of profit & loss account & misc.exp.not written off)	(7447128.00)	157012349.00	161543853.00	179637212.00
8	Total assets (Fixed Assets + Current Assets)	18904739.00	28148349.00	101153917.00	37835187.00
9	Total Liabilities (Debts + Current Liabilities & Provisions)	7467067.00	54240000.00	73210000.00	9929975.00
10	Investment	19262200.00	186410000.00	136999936.00	155500000.00
11	Turnover / Total Income	-	-	10710.00	-
12	Profit / (Loss) Before Taxation	(550784.00)	(52942.00)	(39417.00)	(46999.00)
13	Provision fo Taxation	-	-	-	-
14	Profit / (Loss) after Taxation	(550784.00)	(52942.00)	(39417.00)	(46999.00)
15	Proposed Dividend (Incl.CTD)	Nil	Nil	Nil	Nil
16	(i) No. of shares held by holding company with its nominee in the subsidiary at 30.09.2014	8028826	(See note 1 below)	(See note 2 below)	(See note 3 below)
	ii) Extent of interest of holding company as at 30.09.2014	57.05%			
Notes:					
1.	330600 Equity shares of Sansar Infrastructure Pvt. Ltd. (represent 100% of share capital) are held by Genus Prime Infra Ltd.				
2.	340000 Equity shares of Sunima Trading Pvt. Ltd. (represent 100% of share capital) are held by Genus Prime Infra Ltd.				
3.	376800 Equity shares of Star Vanijya Pvt. Ltd. (represent 100% of share capital) are held by Genus Prime Infra Ltd.				
S.No.	Particulars	(Amount in Rs.)			
1	Name of the Associates Company	Virtuous Paper & Urja Limited			
2	Latest Audited Balance Sheet Date	30.09.2014			
3	Share of Associates held by the company on the period ended				
	No. of Shares	17600			
	Amount of Investment in Associates	176000.00			
	Extend of Holding %	35.20%			
4	Description of how there is significant influence	Shareholding			
5	Reason why the associates in not consolidated	N.A			
6	Networth attributable to shareholding as per latest audited Balance Sheet	164022.14			
7	Profit / (Loss) for the period				
	(i) Considered in consolidation	-			
	(ii) Not Considered in consolidation	N.A			
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C</p> <p>Pradeep Kapoor Proprietor Membership No. 074491</p> <p>Moradabad, December 26, 2014</p> </div> <div style="width: 30%; text-align: center;"> <p>for and on behalf of the Board of Directors</p> <p>Kailash C. Agarwal Mg. Director DIN - 00895365</p> <p>Sanjay Agarwal (Chief Financial Officer)</p> </div> <div style="width: 30%; text-align: center;"> <p>Himanshu Agarwal Wt. Director DIN - 00065185</p> <p>Ankit Agarwal Company Secretary</p> </div> </div>					

FINANCIAL STATEMENTS (Consolidated)

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Genus Paper & Boards Limited ("the Company"), which comprise the Consolidated Balance Sheet as at 30th September, 2014 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in the Companies Act, ("the Act") read with general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 30th September, 2014;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the period ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of cash flows for the year ended on that date.

Other Matters

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

Audited by other auditors:		(Amount in Rupees)	
	Total assets	Total revenues	Net cash inflow/Outflow
Subsidiaries	38166939.00	0.00	129007.00

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

Pradeep Kapoor
Proprietor
Membership No. 074491

Moradabad, December 26, 2014

CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER 2014			
	Note	Rupees	30-09-14 Rupees
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	257125940.00	
Reserves & Surplus	2	2969121687.34	3226247627.34
Minority Interest			233986434.26
Non-Current Liabilities			
Long Term Borrowings	3	213577475.00	
Deferred Tax Liability	4	171310341.00	
Long Term Provisions	5	3198823.00	388086639.00
Current Liabilities			
Short Term Borrowings	6	378551995.56	
Trade Payables	7	304813250.00	
Other Current Liabilities	8	104365300.00	
Short Term Provisions	9	11157819.00	798888364.56
Total			4647209065.16
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		1711281937.00	
Capital Work-in-Progress		309700612.00	2020982549.00
Non-Current Investments	11		484204928.40
Other Non Current Assets	12		718969490.00
Current Assets			
Inventories	13	524487609.00	
Trade Receivables	14	452156513.95	
Cash and cash equivalents	15	67070772.10	
Short term loans and advances	16	375277141.71	
Other Current Assets	17	4060061.00	1423052097.76
Total			4647209065.16
Significant Accounting Policies	1 to		-
Notes on Financial Statement	35		
<div> <p>As per our report attached For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C</p> <p>Pradeep Kapoor Proprietor Membership No. 074491</p> <p>Moradabad, December 26, 2014</p> </div> <div> <p>for and on behalf of the Board</p> <div> <p>Kailash C. Agarwal Mg. Director DIN - 00895365</p> <p>Sanjay Agarwal (Chief Financial Officer)</p> </div> <div> <p>Himanshu Agarwal Wt. Director DIN - 00065185</p> <p>Ankit Agarwal Company Secretary</p> </div> </div>			

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 30th SEPTEMBER, 2014			
	Note		30-09-14
INCOME			Rupees
Revenue from Operations	18	1428566517.00	
Less: Excise Duty		97690250.00	1330876267.00
Other income	19		27386660.00
Total Revenue			1358262927.00
EXPENDITURE			
Purchases/Consumption of Material	20		923391743.00
Change in Inventories of Finished Goods,			
Stock-in-Process and Stock-in-Trade	21		36831334.00
Employees Benefit Expenses	22		26115330.00
Finance Cost	23		25860313.51
Depreciation & Amortisation Expenses	24		43160348.00
Other Expenses	25		228266475.64
Total Expenses			1283625544.15
Profit/(Loss) before Taxation			74637382.85
Tax Expenses			
Current tax			22920569.00
Deferred tax			825310.00
Profit for the year (before adjusting for Minority Interest)			50891503.85
Less: Minority Share			(296415.99)
Profit for the year (after adjusting for Minority Interest)			51187919.84
Earning Per Equity Share (Face value Re. 1/- each)	26		
-Basic & Diluted-Annualised (in Rupees)			0.40
Significant Accounting Policies	1 to 35		
Notes on Financial Statement			
<p>As per our report attached For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C</p> <p>Pradeep Kapoor Proprietor Membership No. 074491</p> <p>Moradabad, December 26, 2014</p>			
<p>for and on behalf of the Board</p> <p>Kailash C. Agarwal Mg. Director DIN - 00895365</p> <p>Sanjay Agarwal (Chief Financial Officer)</p> <p>Himanshu Agarwal Wt. Director DIN - 00065185</p> <p>Ankit Agarwal Company Secretary</p>			

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD EDNDED AS ON 30.09.2014			30-09-14	
			Rupees	Rupees
A.	Cash Flow from Operating Activities			
a.	Net profit before tax and exceptional item		74637382.85	
	Adjustments for:			
	Depreciation		43017366.00	
	Interest expenses		25860313.51	
	Interest income		(26936182.00)	
	Dividend income		(426278.00)	
	Profit on sale of fixed assets		-	
	Profit on sale of Shares		-	
	Preliminary expenses written off		142982.00	
b.	Operating profit before working capital changes		116295584.36	
	Adjustments for:			
	Trade and Other Receivables		(36476417.27)	
	Inventories		(81016831.00)	
	Other current assets		61719337.65	
	Current liabilities & provisions		15768974.59	
c.	Cash generated from Operations		76290648.33	
	Direct Taxes paid (Net)		(22920569.00)	
	Cash from operating activities		53370079.33	
	Net Cash from Operating Activities			53370079.33
B.	Cash Flow from Investing Activities			
	Purchase of fixed assets		(189577608.00)	
	Sale of fixed assets		-	
	Sale (Purchase) of Investments (Net)		(19910000.00)	
	Interest received		26936182.00	
	Dividend received		426278.00	
	Net Cash from / (used in) investing activities			(182125148.00)
C.	Cash Flows from Financing Activities			
	Proceeds from issuance of share capital/app.money		-	
	Proceeds from borrowings		205253272.68	
	Repayments of borrowings		(53284000.00)	
	Interest paid		(25860313.51)	
	Dividend paid (includes corporate dividend tax)		-	
	Net Cash from / (used in) financing activities			126108959.17
D.	Net increase/(Decrease) in cash and cash equipment			(2646109.50)
	Cash and Cash equivalent at beginning of the year			69716881.60
	Cash and Cash equivalent at end of the period			67070772.10
	(Cash and Cash equivalent represent Cash and Bank balances)			
	Net Change in Cash and Cash equivalent			(2646109.50)
<p>As per our separate report attached For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C</p> <p>Pradeep Kapoor Proprietor Membership No. 074491</p> <p>Moradabad, December 26, 2014</p> <p style="text-align: right;">for and on behalf of the Board</p> <p>Kailash C. Agarwal Mg. Director DIN - 00895365</p> <p>Sanjay Agarwal (Chief Financial Officer)</p> <p>Himanshu Agarwal Wt. Director DIN - 00065185</p> <p>Ankit Agarwal Company Secretary</p>				

NOTE 35

Significant accounting Policies

1. Principles of Consolidation

- (i) The Financial Statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- (ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iii) Minority interest in the net assets of the subsidiary consists of the amount of equity, preference attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, preference, subsequent to the date of investments attributable to their equity, preference.
- (iv) Investment in Associates Companies has been accounted under the equity method as per Accounting Standard (AS) 23- “Accounting for Investments in Associates in Consolidated Financial Statements.”
- (v) The difference between the cost of investment in the associates and the share of net assets in the associates is adjusted in the financial statements in the cost of the Investment or Capital Reserve as the case may be.
- (vi) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. Basis of preparation of financial statements

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

3. Use of Estimates

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

4. Revenue Recognition

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

5. Fixed Assets

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

6. Depreciation

Depreciation on the assets has been provided on Straight Line Method at the rates prescribed in part “C” of Schedule II to the Companies Act, 2013. And Pursuant to the enactment of the Companies Act 2013 (the ‘Act’), the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets, generally in accordance with the provision of Schedule II to the Act. The consequential impact (after considering the transition provision specified in Schedule II) on the depreciation charged and on the results for the half year is not material.

7. **Impairment of Assets**
An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period as reversed if there has been a change in the estimate of recoverable amount.
8. **Foreign Currency Transactions**
Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction or at the rates covered by the forward contracts. The exchange differences on conversion are adjusted to:
- Cost of Fixed Assets, if the foreign currency liability relates to the fixed assets.
 - Cost of Raw Material & Chemicals, if the foreign currency liability relates to these items.
 - Bank charges, if the foreign currency liability relates to conversion of bank's credit facility into foreign currency.
9. **Investments**
Long term Investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary in opinion of the management.
10. **Inventories**
Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.
- Raw materials, Stores & Spares are valued at cost, determined on the basis of the weighted average method.
- Work-in-progress is valued at the lower of cost and net realizable value.
- Finished goods are valued at the lower of cost and net realizable value. Excise duty is included in the value of finished goods inventory.
11. **Preliminary Expenses**
Preliminary expenses (including the expenses for enhancement of Authorised capital) have been amortized over a period of five years.
12. **Retirement benefits**
Company's contributions to Provident Fund are charged to Profit & Loss Account on accrual basis. Liability for payment of Gratuity and Leave Encashment is charged to Profit & Loss Account on the basis of Actuarial valuation as at year end.
13. **Borrowing Costs**
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
14. **Provision for Current Tax & Deferred Tax**
Provision for current tax is made, which is likely to arise on the results for the year at the current rate of tax in accordance with the provisions of the Income Tax Act, 1961, Deferred tax is computed in accordance with Accounting Standard 22- "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India,
15. **Accounting of CENVAT Credit**
Cenvat credit available on raw material, chemicals, stores & spares is accounted for by booking respective material purchases, net of excise duty, similarly Cenvat Credit entitlement on Capital goods, net of excise. Both these Cenvat Credits are accumulated and shown as receivable under "Loans and Advances" for adjustments in due course against duty payable on dispatch of finished goods.
16. **Provision, Contingent Liabilities and Contingent Assets**
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTE 1 SHARE CAPITAL			
		Rupees	30-09-14 Rupees
AUTHORIZED			
	260000000 Equity Shares of Re. 1/-each		260000000.00
			260000000.00
ISSUED, SUBSCRIBED AND PAID UP			
	257125940 Equity Shares of Rs. 1/- each fully paid up		257125940.00
			257125940.00
The details of Shareholders holding more than 5 % shares :			
		As at	
Name of Shareholder		30th Sept, 2014	
		No. of Shares	% held
Mr. Kailash Chandra Agarwal		13298366	5.17
Vivekshil Dealers Private Ltd.		23736757	9.23
Mr. Mondip Kumar Tamuly		47543850	18.49
(As Trustee of Genus Shareholders Trust)			
The reconciliation of the number of Equity shares outstanding is set out below :			
		As at	
Particulars		30th Sept, 2014	
		No. of Shares	
Equity Shares at the 01.04.2014		257125940	
Add: Shares issued during the period		-	
Equity Shares at the 30.09.2014		257125940	
NOTE 2 RESERVES & SURPLUS			
		Rupees	30-09-14 Rupees
Capital Reserve			
	Capital Reserve		148473272.54
Profit & Loss Account			
	As per last balance sheet	303586438.96	
	Add: Profit for the period	51187919.84	354774358.80
Business Reconstruction Reserve			
	As per last balance sheet		2465874056.00
			2969121687.34
NOTE 3 LONG TERM BORROWINGS			
		Rupees	30-09-14 Rupees
		Current	Non-current
From Banks - Secured			
	Rupee Loans	53284000.00	201953575.00
From Others - Unsecured			
	-Other Parties-ICDs	-	11623900.00
		53284000.00	213577475.00

Securities			
1(a)	Term loan from PNB -INR Rs.253381756.00 are secured by exclusive first charge on entire fixed assets of the company other than fixed assets of Paper & particle board division save and except assets charged to Other to rank "pari passu" between lenders at 2 and/ or 3 and further secured by securities mentioned at 2 below on "pari passu" basis.		
(b)	The above facilities are further secured by first charge on Land, Building and Plant & machinery of steel division, land & building of administrative block and residential colony. save and except first "pari passu" charge on certain personal assets of promoters and directors.		
2.	Term loan of Rs. 1855819.00 from Punjab National Bank are secured by hypothecation of vehicles.		
NOTE 4 DEFERRED TAX LIABILITY			
			30-09-14
		Rupees	Rupees
Deferred Tax Liability			
	Related to fixed assets		171310341.00
Deferred Tax Asset			
	Disallowance under Income tax Act, 1961		-
Net Deferred Tax Liability			171310341.00
			Rupees
	Opening Balance		175929166.00
	Add: Deferred Tax Liability		(4618825.00)
	Less: Deferred Tax Assets		-
	Closing Balance		171310341.00
NOTE 5 LONG TERM PROVISIONS			
			30-09-14
		Rupees	Rupees
	Provision for Employees Benefits		3198823.00
			3198823.00
NOTE 6 SHORT TERM BORROWINGS			
			30-09-14
		Rupees	Rupees
From Banks - Secured			
	Rupee Loans		296152019.54
From Others - Unsecured			
	-Other Parties-ICDs		82399976.02
			378551995.56
Securities			
1(a)	Working Capital Loan INR Rs. 215287085.32 are secured by exclusive first charge by way of hypothecation of entire current assets (existing & future) including all stocks & receivables pertaining to steel division and co-gen. power plant of the company save and except assets charged to PNB to rank pari passu between lenders at 2. Further secured by securities mentioned at 2 below on pari passu basis		
(b)	The above facilities are further secured by first charge on Land, Building and Plant & machinery of steel division, land & building of administrative block and residential colony save and except first "pari passu" charge on certain personal assets of promoters and directors.		
2.	Working Capital Loan from PNB Rs. 80864934.22 are secured by hypothecation of entire current assets (present & future) of the Multi-layered kraft paper unit save and except assets charged to bank to rank "pari passu" between lenders at para 1.		

NOTE 7 TRADE PAYABLES										
			30-09-14							
		Rupees	Rupees							
Sundry Creditors										
-Due to Micro, Small & Medium Enterprises		-								
-Due to Others		304813250.00	304813250.00							
			304813250.00							
NOTE 8 OTHER CURRENT LIABILITIES										
			30-09-14							
		Rupees	Rupees							
Current maturities of long term debt (Refer Note No. 03)			53284000.00							
Others										
-Creditors for Capital Expenditure		12976028.00								
-Payable to Others		2306155.00								
-Salaries & benefits		3358637.00								
-Provision for expenses		22315658.00								
-Withholding and Other tax payable		9972310.00								
-Advance from customers		152512.00	51081300.00							
			104365300.00							
NOTE 9 SHORT TERM PROVISIONS										
			30-09-14							
		Rupees	Rupees							
PROVISIONS										
For Employees Benefits		514553.00								
For Others										
-Provision for Income tax (net of prepaid taxes)		10580128.00								
-Others		63138.00	11157819.00							
			11157819.00							
NOTE 10 FIXED ASSETS AS AT 30-09-2014										
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-4-14	Additions during the period	Deductions/ Transfer	As at 30-09-14	As at 1-4-14	For the period	Adjustments	As at 30-09-14	As at 30-09-14	As 31-03-14
Tangible Assets										
Land	555685467.00	-	-	555685467.00	-	-	-	-	555685467.00	555685467.00
Residential Building	17215300.00	-	-	17215300.00	841827.00	136373.00	-	978200.00	16237100.00	16373473.00
Factory Building	78991600.00	-	-	78991600.00	7914957.00	1255448.00	-	9170405.00	69821195.00	71076643.00
Plant & Machinery	1264422739.00	372030.00	-	1264794769.00	179476908.00	40130556.00	-	219607464.00	1045187305.00	1084945831.00
Furniture & fixtures	5857123.00	259716.00	-	6116839.00	716227.00	459872.00	-	1176099.00	4940740.00	5140896.00
Computers	1451847.00	120037.00	-	1571884.00	519758.00	231896.00	-	751654.00	820230.00	932089.00
Vehicles	24589475.00	945000.00	-	25534475.00	6141354.00	803221.00	-	6944575.00	18589900.00	18448121.00
Sub Total (A)	1948213551.00	1696783.00	0.00	1949910334.00	195611031.00	43017366.00	0.00	238628397.00	1711281937.00	1752602520.00
Capital W I P	121819787.00	187880825.00	-	309700612.00	-	-	-	-	309700612.00	121819787.00
Sub Total (B)	121819787.00	187880825.00	-	309700612.00	-	-	-	-	309700612.00	121819787.00
Total (A+B)	2070033338.00	189577608.00	0.00	2259610946.00	195611031.00	43017366.00	0.00	238628397.00	2020982549.00	1874422307.00
As at 31.03.2014	1942578922.00	128321417.00	867001.00	2070033338.00	123310313.00	72480758.00	180040.00	195611031.00	1874422307.00	

NOTE 11 NON CURRENT INVESTMENT			
			30-09-14
		Rupees	Rupees
Other Investment			
In Equity Shares - Quoted, fully paid up			
	195139 GHCL Ltd.		7805559.65
	of Rs. 10/- each		
In Equity Shares - Unquoted, fully paid up			
A. Associates			
	17600 Virtuous Paper & Urja Ltd.		164022.14
	of Rs. 10/- each		
B. Others			
	279500 Genus Electrotech Ltd.	17500000.00	
	of Rs.10/- each		
	4738621 Virtuous Urja Ltd.	72310000.00	
	of Rs. 10/- each		
	12500 Virtuous Infra Ltd.	125000.00	
	of Rs. 10/- each		
	10000 Indo Global Papers Ltd.	100000.00	
	of Rs. 10/- each		
	800 Rajasthan Assets Management Co. Pvt Ltd.	80000.00	
	of Rs. 100/- each		
	400000 Abhideep Global Finance Pvt.Ltd.	40000000.00	
	(Formerly Cube Fintex Pvt Ltd.)of Rs. 10/- each		
	477000 Kailash Coal & Coke Co. Ltd.	11925000.00	
	of Rs. 10/- each		
	1124000 Shares Vivekshil Dealers Pvt Ltd	137195410.61	
	of Rs. 10/- each		
	300000 Shares Professional Fashion & Mgmt Pvt Ltd	3000000.00	
	of Rs. 10/- each		
	46979 Shares Genus Innovation Ltd.	3499936.00	
	of Rs. 10/- each		
	5375 Shares J.C.Textiles Pvt. Ltd.	8600000.00	
	of Rs. 10/- each		294335346.61
In Preference Shares - Unquoted, fully paid up			
	430000 Shares Virtuous Urja Ltd.	82000000.00	
	of Rs. 100/- each		
	1140000 Shares Genus Apparels Pvt. Ltd.	11400000.00	
	of Rs. 10/- each		
	155000 Shares Genus Commodities Ltd.	15500000.00	
	of Rs. 100/- each		
	600000 Shares Kailash Industries Ltd.	60000000.00	
	of Rs. 100/- each		
	130000 Shares Kailash Vidut & Ispat Ltd.	13000000.00	
	of Rs. 100/- each		181900000.00
			484204928.40
Aggregate value of quoted investment			
	Book Value	7805559.65	
	Market Value	18723587.05	
Aggregate value of unquoted investment			
	Book Value	476399368.75	

NOTE 12 OTHER NON CURRENT ASSETS			
			30-09-14
		Rupees	Rupees
Loan & Advances			717968614.00
Miscellaneous expenditure (to the extent not written off or adjusted)			1000876.00
			718969490.00
NOTE 13 INVENTORIES			
			30-09-14
		Rupees	Rupees
Raw Materials & Chemicals		241575656.00	
Finished Goods		73433433.00	
Stock in Trade		38500.00	
Stock in Process		1937600.00	
Stores & spares		207502420.00	524487609.00
			524487609.00
NOTE 14 TRADE RECEIVABLES			
			30-09-14
		Rupees	Rupees
Sundry Debtors (Unsecured, Considered Good)			
-due for more than six months		2925406.00	
-others		449231107.95	452156513.95
			452156513.95
NOTE 15 CASH AND CASH EQUIVALENTS			
			30-09-14
		Rupees	Rupees
Cash in hand		4015100.71	
With Banks			
-on current account		17760294.39	
-on term deposit		45295377.00	67070772.10
			67070772.10
NOTE 16 SHORT TERM LOANS AND ADVANCES			
			30-09-14
		Rupees	Rupees
Unsecured - (Considered Good Unless Otherwise Stated)			
Advances recoverable in cash or kind or for value to be received		263856768.51	
Security Deposits		5669876.00	
Balance with Revenue Authorities		77463842.20	
MAT Credit Entitlement		28286655.00	375277141.71
			375277141.71

NOTE 17 OTHER CURRENT ASSETS			
			30-09-14
		Rupees	Rupees
	Accrued interest on term deposits		4060061.00
			4060061.00
NOTE 18 REVENUE FROM OPERATION			
			30-09-14
		Rupees	Rupees
	Sale of Products		
	Kraft Paper	1162495447.00	
	M.S.Ingot	263507507.00	
	High Seas Sales (Paper)	2563563.00	1428566517.00
			1428566517.00
NOTE 19 OTHER INCOME			
			30-09-14
		Rupees	Rupees
	Interest received from Bank		2187581.00
	Interest income received from Others		24748601.00
	Dividend from Investments		426278.00
	Misc.receipts		24200.00
			27386660.00
NOTE 20 PURCHASES / CONSUMPTION OF MATERIAL			
			30-09-14
a)	Raw Materials including chemicals consumed	% of	Rupees
		Consumption	
	Imported	42.90	381240718.00
	Indigenous	57.10	507508516.00
			888749234.00
b)	Stores & Spares consumed		
	Imported	-	-
	Indigenous	100.00	32102042.00
			32102042.00
c)	High Seas Purchases (Paper)		2540467.00
			923391743.00
NOTE 21 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE			
			30-09-14
		Rupees	Rupees
	Inventories (at commencement)		
	-Finished Goods	111643992.00	
	-Stock in Trade-Shares	38500.00	
	-Stock in Process	1937600.00	
		113620092.00	
	Inventories (at close)		
	-Finished Goods	73433433.00	
	-Stock in Trade-Shares	38500.00	
	-Stock in Process	1937600.00	
		75409533.00	38210559.00
			38210559.00
	Excise Duty on Increase/ (Decrease) of Finished Goods		(1379225.00)
			36831334.00

NOTE 22 EMPLOYEES BENEFIT EXPENSES			
			30-09-14
		Rupees	Rupees
Salaries, wages & allowances			24785714.00
Contribution to Funds			857289.00
Welfare exp.			472327.00
			26115330.00
NOTE 23 FINANCE COST			
			30-09-14
		Rupees	Rupees
Interest on Working Capital Loan			21123514.00
Interest on Term Loan			3309488.00
Financial charges			1427311.51
			25860313.51
NOTE 24 DEPRECIATION AND AMORTISATION EXPENSES			
			30-09-14
		Rupees	Rupees
Depreciation			43017366.00
Amortisation & Write offs			142982.00
			43160348.00
NOTE 25 OTHER EXPENSES			
			30-09-14
		Rupees	Rupees
Manufacturing Expenses			
Power & Fuel	202449294.00		
Repairs & maintenance (Plant & Machinery)	4637457.00		
Repairs & maintenance (Others)	356995.00		
Other expenses	29700.00		207473446.00
Establishment Expenses			
Printing & stationery	343372.00		
Postage, telephone & telegram	662063.00		
Travelling, conveyance & vehicle running exp.	2393759.64		
Auditors' remuneration	92000.00		
Electricity Expenses	492930.00		
Insurance charges (net of recoveries)	1792598.00		
Legal & Professional charges	285317.00		
Advertisement & Publicity	51828.00		
Security services	134443.00		
Rent	1382500.00		
Rates & taxes	630662.00		
Rebate & discount	990111.00		
Commission on Sales	2976763.00		
Freight & forwarding (outward)	8394187.00		
Accounting Charges	81000.00		
Misc.exp.	89496.00		20793029.64
			228266475.64

NOTE 26 EARNINGS PER SHARE (BASIC & DILUTED)			
			30-09-14
			Rupees
Basic & diluted Earning per Share			
a	Net Earning		51187919.84
b	Cash Earning		94205285.84
c	Weighted Average No. of Equity Shares of Re. 1/- each (Nos)		257125940
	Weighted Average No. of Equity Shares after Dilution		257125940
d	Basic & Diluted Earning per share Annualised (Rs.)		0.40
e	Cash Earning (Basic & Diluted) per shares-Annualised (Rs.)		0.73
NOTE 27 VALUE OF IMPORT ON CIF BASIS			
			30-09-14
			Rupees
Imports during the year [CIF value]			
	Raw Material		3516693928.00
	Stores and Spares parts		-
	Capital Goods		-
			3516693928.00
NOTE 28 EXPENDITURE IN FOREIGN CURRENCY			
			30-09-14
			Rupees
	-Interest		-
	-Travelling expenses		-
			-
NOTE 29 EARNINGS IN FOREIGN CURRENCY			
			30-09-14
			Rupees
	-Interest		-
			-
NOTE 30 CONTINGENT LIABILITIES AND COMMITMENTS			
			30-09-14
	Contingent Liabilities not provided for in respect of :		(Rs. In lac)
a.	Guarantees given by the Bankers on behalf of the Company(Net of margin money)		118.92
	Disputed demands under:		
b	Sales Tax/Commercial Tax		42.53
	Factories Act		2.75
	Central Excise and Service Tax		38.34

NOTE 31 RELATED PARTY DISCLOSURE

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

a. Key Management Personnel	: Ishwar Chand Agarwal : Kailash Chandra Agarwal : Himanshu Agarwal
b. Relatives of Key Managerial Personnel	: NIL
c. Enterprises controlled by Key Management personnel and Individuals having significant influence	: Genus Power Infrastructure Ltd. : Genus Electrotech Ltd. : Kailash Coal and Coke Co. Ltd : Virtuous Urja Ltd. : J.C.Textile Pvt.Ltd.
d. Associates	: Virtuous Paper & Urja Ltd. : Vivekshil Dealers Pvt. Ltd.

Related Party Transactions

S. No.	Particulars		Subsidiary	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Where Significant Influence exist	Total
1	Sales & Services	30.09.2014	-	-	-	-	-	-
2	Interest and Other Income	30.09.2014	-	-	-	-	-	-
3	Purchase of goods/Payment for other	30.09.2014	-	-	-	-	41902606.00	41902606.00
4	Interest paid	30.09.2014	-	-	-	-	-	-
5	Dividend	30.09.2014	-	-	-	-	-	-
6	Sale of Fixed	30.09.2014	-	-	-	-	-	-
7	Outstanding Balances							
	As on 30-09-							
	-Debtors	30.09.2014	-	-	-	-	-	-
	-Creditors	30.09.2014	-	-	-	-	-	-
	-Loans &	30.09.2014	-	-	-	-	-	-
	-Unsecured	30.09.2014	-	-	-	-	-	-
8	Investment	30.09.2014	-	-	-	-	19910000.00	19910000.00
9	Guarantees & collaterals	30.09.2014	-	-	-	-	-	-
10	Remuneration to key managerial personnel	30.09.2014	-	-	6512903.00	-	-	6512903.00

NOTE 32 SEGMENT REPORTING			
a.	Primary Segment Reporting (by business segment)		
1.	Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organizational structure as well as the differential risk and returns of these segments. Detail of products included in each of the segments are as under:		
	Paper	Kraft Paper	
	Steel	M.S. Ingot	
2.	Information about Business Segments :		
A	SEGMENT REVENUE		30.09.2014
	Paper		1165059010.00
	M.S.Ingot		263507507.00
	Gross Turnover		1428566517.00
	Less : Excise Duty		97690250.00
	Net Turnover		1330876267.00
	Others (Unallocated)		27386660.00
			1358262927.00
B	SEGMENT RESULTS		
	Paper		74822235.47
	M.S.Ingot		505289.38
	Others (Unallocated)		(690142.00)
	Profit Before Tax		74637382.85
	Provision for Current Tax		22920569.00
	Deferred Tax		825310.00
			50891503.85
C	CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)		
	Paper		2314343101.86
	M.S.Ingot		112768519.55
	Unallocated		1421209079.19
	Total Capital Employed		3848320700.60
b.	Secondary Segment Reporting (by geographic segment) - There is no different Geographical Segments, hence not		
NOTE 33			
	In terms of the scheme of arrangement under section 391 and 394 of the Companies Act, 1956 ("the Scheme) amongst Genus Power Infrastructures Limited ("GPIL"), the Company and Genus Paper Products Limited ("GPPL"), GPIL has re-organized and segregated by way of a demerger, its business and undertaking engaged in manufacturing and trading of all kinds and classes of papers and boards, steel and the undertaking of managing, supervising, controlling and making non power investments to the company. All the assets and liabilities are transferred to the Company pursuant to order of the Hon'ble High Court of judicature at Allahabad dated 29.10.2013 and the same has been filed with the Registrar of Companies on 29.11.2013 and the appointed date as per the Scheme is 1st April 2011.		
	As per the said scheme;		
a.	All the properties, investments, assets and liabilities related to Paper & Boards, Steel and Non Power Investment undertaking/divisions of GPIL are transferred and vested in the Company on a going concern basis with effect from 1.4.2011		
b.	The said transfer has been affected at the values appearing in the books of GPIL and recorded as such in the books of account of the Company. The value of assets over liabilities as on that date aggregates to Rs. 2722499996.00.		
c.	In consideration of the demerger, the Company has issued and allotted 256625940 equity shares to the shareholders of GPIL in the ratio of one equity share of face value of Re. 1/- each fully paid up in the Company for every one equity share of Re. 1/- each fully paid up held by the shareholders of GPIL ranking pari passu with the existing equity shares of the Company save and except in relation to dividends, if any, to which they may be entitled to, as and from the Appointed Date. The New Equity Shares of the Company issued on Demerger shall, subject to completion of applicable procedures, be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and shall remain frozen in the depositories system till listing/trading permission is given by the Bombay Stock and the National Stock Exchange of India Limited.		

d.	Excess of net assets so recorded over the amount of share capital issued amounting to Rs. 2465874056.00 is recognized in these financial statements, and as stipulated in the Scheme, is disclosed as a free reserve with the nomenclature "Business Reconstruction Reserve".
e.	As and from the Appointed Date and up to and including the Effective Date, GPPL (in relation to Paper & Boards and Steel Undertaking) and GPIL (in relation to Non Power Investment Undertaking) are deemed to have been carrying on all the business and activities on behalf of the Company and the profit for this period (Net of taxes, Deferred Tax and Minimum Alternate Tax credit) amounting to Rs. 200039100.35 is recognized in these financial statements as the profits and taxes of the Company.
NOTE 34	
	Financial information of Associates Companies as required by first proviso to section 129 (3) read with rule 5 of companies (Accounts) rule 2014 of the Companies Act, 2013 for the period ended 30.09.2014 are separately enclosed.
<div>As per our report attached For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C</div> <div><div>Pradeep Kapoor Proprietor Membership No. 074491 Moradabad, December 26, 2014</div><div><div>for and on behalf of the Board Kailash C. Agarwal Mg. Director DIN - 00895365 Sanjay Agarwal (Chief Financial Officer)</div><div>Himanshu Agarwal Wt. Director DIN - 00065185 Ankit Agarwal Company Secretary</div></div></div>	

FORM AOC - I			
Statement pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014			
Part 'B' : Associates			
		(Amount in Rs.)	
S. No.	Particulars		
1	Name of the Associates Company	Virtuous Paper & Urja Limited	Vivekshil Dealers Private Limited
2	Latest Audited Balance Sheet Date	30.09.2014	30.09.2014
3	Share of Associates held by the company on the period ended		
	No. of Shares	17600	1124000
	Amount of Investment in Associates	176000.00	221800000.00
	Extend of Holding %	35.20%	28.39%
4	Description of how there is significant influence	Shareholding	Shareholding
5	Reason why the associates in not consolidated	N.A	N.A
6	Networth attributable to shareholding as per latest audited Balance Sheet	164022.14	137195410.61
7	Profit / (Loss) for the period		
	(i) Considered in consolidation	-	(120151.79)
	(ii) Not Considered in consolidation	N.A	N.A
For Pradeep Hari & Co. Chartered Accountants Firm Regn. No. 006542C Pradeep Kapoor Proprietor Membership No. 074491 Moradabad, December 26, 2014		for and on behalf of the Board of Directors <div> Kailash C. Agarwal Mg. Director DIN - 00895365 </div> <div> Himanshu Agarwal Wt. Director DIN - 00065185 </div> <div> Sanjay Agarwal Chief Financial Officer </div> <div> Ankit Agarwal Company Secretary </div>	

FINANCIAL STATEMENTS (Standalone)

Independent Auditor's Report

To,
The Shareholders
Genus Paper & Boards Limited.

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227 (3) of the Act, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company, so far as appears from our examinations of the books;
 - c. The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement, dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - e. On the basis of the written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of section 274(1)(g) of the Act.

ANNEXURE TO THE AUDITOR'S REPORT

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

- (i)
 - (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a policy of physically verifying its fixed assets periodically, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. During the year, fixed assets have been physically verified by the management and no material discrepancies were noticed on such verification.
 - (c) Although some of the fixed assets have been disposed off during the year, in our opinion and according to the information and explanations given to us, the ability of the company to continue as a going concern is not affected.
- (ii)
 - (a) The inventory of the company has been physically verified by the management at reasonable intervals during the year. The verification was made on the basis of the perpetual inventory system operated by the Company. In case of materials lying with third parties, certificates confirming such inventory have been obtained by the Company from most of the third parties.
 - (b) In our opinion and on the basis of the information and explanations given to us, the procedures for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The company has maintained proper records of inventory. The discrepancies noticed on physical verification of stock as compared to the book records were not material.
- (iii) In respect of loans, secured or unsecured granted/taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (a) The company has not taken or granted any secured /unsecured loans during the year.
 - (b) In our opinion and according to the information and explanation given to us, the rate of interest wherever applicable and other terms and conditions are not, prima facie, prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its

business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weaknesses have been noticed.

- (v) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956 have been entered. Clause (v-b) of paragraph 4 of the Order is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the account and records of the Company in this connection, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the accounts and records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities.
- (b) The disputed statutory dues aggregating Rs.55.79 (Net of amount deposited), that have not been deposited on account of disputed matters pending before appropriate authorities are as under;

Sr. No.	Name of the Statute	Nature of the dues	Amount (Rs.in lac)	Period to which the Amount relates	Forum where the dispute is pending
1.	Sales Tax/ VAT Laws	Sales Tax/ VAT and Entry Tax	3.52	2004-2005	Hon'ble High Court
			13.93	2007-2008 2008-2009 2009-2010	Joint/Deputy Commissioner/ Commissioner (Appeals)
2.	Central Excise Act, 1944	Excise Duty	33.85	2006-2010	Commissioner Appeals
			3.59	2005-2006	Central Excise
			0.90	2009-2010	Appellate Tribunal
Total			55.79		

- (x) The Company does not have any accumulated losses at the end of the financial year and it has not incurred cash losses in the current year or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and based on our observations during the audit, the Company has not defaulted in repayment of dues to any financial institution or bank.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit funds/nidhi/mutual benefits funds/society.

- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures or other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and the representations made by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanation given to us, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment and vice versa.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) According to the information and explanations given to us by the Company and based on our audit, no fraud on or by the Company has been noticed or reported by the Company during the year.

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

Pradeep Kapoor
Proprietor
Membership No. 074491

Moradabad
July 18, 2014

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

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

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

Significant Accounting Policies

1. Basis of preparation of financial statements

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

2. Use of Estimates

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

3. Revenue Recognition

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

4. Fixed Assets

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

5. Depreciation

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

6. Impairment of Assets

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

7. Foreign Currency Transactions

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

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

8. Investments

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

9. Inventories

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

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

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

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

10. Preliminary Expenses

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

11. Retirement benefits

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

12. Borrowing Costs

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

13. Provision for Current Tax & Deferred Tax

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

14. Accounting of CENVAT Credit

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

15. Provision, Contingent Liabilities and Contingent Assets

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

Notes on Financial Statements:

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

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

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

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

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

NOTE 14 TRADE RECEIVABLES

		31-03-14	31-03-13
	Rupees	Rupees	Rupees
Sundry Debtors (Unsecured, Considered Good)			
-due for more than six months	3432572.00	-	
-others	412247524.68	415680096.68	-
		415680096.68	-

NOTE 15 CASH AND CASH EQUIVALENTS

		31-03-14	31-03-13
	Rupees	Rupees	Rupees
Cash in hand	1831920.71	168830.00	
With Banks			
-on current account	17803366.91	58472.00	
-on term deposit	42505751.00	62141038.62	430000.00
		62141038.62	657302.00

NOTE 16 SHORT TERM LOANS AND ADVANCES

		31-03-14	31-03-13
	Rupees	Rupees	Rupees
Unsecured - (Considered Good Unless Otherwise Stated)			
Advances recoverable in cash or kind or for value to be received	132720597.16	-	
Security Deposits	5580350.00	-	
Balance with Revenue Authorities	73857039.20	2876.00	
MAT Credit Entitlement	35756557.00	247914543.36	2876.00
		247914543.36	2876.00

NOTE 17 OTHER CURRENT ASSETS

		31-03-14	31-03-13
	Rupees	Rupees	Rupees
Accrued interest on term deposits		2122711.00	-
		2122711.00	-

NOTE 18 REVENUE FROM OPERATION

		31-03-14	31-03-13
	Rupees	Rupees	Rupees
Sale of Products			
Laver Kraft Paper	1572192066.00	-	
Kraft Paper	635791212.00	-	
Waste Fiber Sheet	60955.00	-	
M.S.Ingot/ Runner Riser	442399892.00	-	
High Seas Sales (Paper)	4101088.00	2654545213.00	-
		2654545213.00	-

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

NOTE 22 EMPLOYEES BENEFIT EXPENSES					
			31-03-14		31-03-13
		Rupees	Rupees	Rupees	Rupees
	Salaries, wages & allowances		36124291.00		-
	Contribution to Funds		1087554.00		-
	Welfare exp.		175985.00		-
			37387830.00		-
22.1 Disclosure pursuant to Accounting Standard 15(Revised) Employee Benefits the following tables summaries the components of the net benefit expenses recognized in the Profit and Loss Account and the funds status and amount recognized in Balance Sheet.					
Profit and Loss Account					
Net employees benefit expenses(recognized in Personnel expenses)					
		Defined		Defined	
		Gratuity	Leave	Gratuity	Leave
			Encashment		Encashment
	Current service cost	1028309.00	292149.00		
	Interest on defined benefit obligation	153638.00	28751.00		
	Expected return on plan assets				
	Net actuarial losses/(gains) recognized in the				
	Past service cost				
	Actuarial(gain)/losses	(748829.00)	(147964.00)		
	Total included in 'Salaries, wages and allowances'	433118.00	172936.00		
Balance Sheet					
Details of Provisions for Gratuity and Leave Encashment:					
	Liability at the end of the year	2353597.00	532323.00		
	Fair value of plan assets at the end of year				
	Difference	2353597.00	532323.00		
	Unrecognized past service cost				
	Unrecognized transition liability				
	Amount in Balance Sheet	2353597.00	532323.00		
Changes in the present value of the defined benefit obligation are as follows:					
	Liability on account of Scheme of Arrangement *	1920479.00	359387.00		
	Interest cost	153638.00	28751.00		
	Current service cost	1028309.00	292149.00		
	Past service cost(non vested benefit)				
	Past service cost(vested benefit)				
	Benefits paid				
	Actuarial(gain)/loss	(748829.00)	(147964.00)		
	Liability at the end of the year	2353597.00	532323.00		
Principal actuarial assumptions at the Balance Sheet date:					
	Discount rate	8.00%	8.00%		
	salary escalation	6.00%	6.00%		
	Employee withdrawal rate	1-3%	1-3%		
	* [Refer to Note No.34]				
NOTE 23 FINANCE COST					
			31-03-14		31-03-13
		Rupees	Rupees	Rupees	Rupees
	Interest on Working Capital Loan		38413566.44		-
	Interest on Term Loan		9590093.68		-
	Financial charges		2153427.75		-
	Difference in exchange		6650363.00		-
			56807450.87		-

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

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

NOTE 32 RELATED PARTY DISCLOSURE

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

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

Related Party Transactions:-

S. No.	Particulars		Subsidiary	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Where Significant Influence exist	Total
1	Sales & Services	2013-14	-	-	-	-	1567209.00	1567209.00
		2012-13	-	-	-	-	-	-
2	Interest and Other Income	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
3	Purchase of goods/Payment for other services	2013-14	-	-	-	-	14255299.0	14255299.00
		2012-13	-	-	-	-	-	-
4	Interest paid	2013-14	-	-	-	-	44370517.0	44370517.00
		2012-13	-	-	-	-	-	-
5	Dividend received	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
6	Sale of Fixed Assets	2013-14	-	-	-	-	612000.00	612000.00
		2012-13	-	-	-	-	-	-
7	Outstanding Balances							
	As on 31-03-2014							
	-Debtors	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
	-Creditors	2013-14	-	-	565300.00	-	101124.00	666424.00
		2012-13	-	-	-	-	-	-
	-Loans & advances	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
	-Unsecured Loan	2013-14	2200000.00	-	-	-	159155663.	161355663.00
		2012-13	-	-	-	-	-	-
	-Investment	2013-14	-	-	-	-	(4800000.0	(4800000.00)
		2012-13	-	-	-	-	-	-
8	Guarantees & collaterals	2013-14	-	-	-	-	-	-
		2012-13	-	-	-	-	-	-
9	Remuneration to key managerial personnel	2013-14	-	-	12660000.0	-	-	12660000.00
		2012-13	-	-	-	-	-	-

NOTE 33 SEGMENT REPORTING

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

5	Unallocated Corporate Liabilities			663761607.88	
				(-)	
6	Total Liabilities			938440830.29	
				(-)	
7	Depreciation & Amortization	69519993.00	2960765.00	72480758.00	
		(-)	(-)	(-)	
8	Significant Non Cash expenses other	-	-	-	
	Depreciation & Amortization				
	Figures in () represents Previous Year's amount				
b.	Secondary Segment Reporting (by geographic segment) - There is no different Geographical Segments, hence not given.				

NOTE 34

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

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

As per the said scheme;

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

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

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

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

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

NOTE 35

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

NOTE 36

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

As per our report attached

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

Pradeep Kapoor
Proprietor
Membership No. 074491

Moradabad, July 18, 2014

for and on behalf of the Board

Kailash C. Agarwal
Mg. Director
DIN-00895365

Himanshu Agarwal
Wt. Director
DIN-00065185

Ankit Agarwal
Company Secretary

FINANCIAL STATEMENTS (Consolidated)

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

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

Other Matters

In respect of the financial statements of the subsidiary companies, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so

far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors. The details of assets, revenues and net cash flow in respect of these subsidiaries, to the extent to which they are reflected in the consolidated financial statements are given below:

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

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

Pradeep Kapoor
Proprietor
Membership No. 074491

Moradabad
July 23, 2014

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

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

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

Significant accounting Policies

5. Principles of Consolidation

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

6. Basis of preparation of financial statements

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

7. Use of Estimates

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

8. Revenue Recognition

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

9. Fixed Assets

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

10. Depreciation

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

11. Impairment of Assets

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

12. Foreign Currency Transactions

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

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

13. Investments

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

14. Inventories

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

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

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

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

15. Preliminary Expenses

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

16. Retirement benefits

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

17. Borrowing Costs

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

18. Provision for Current Tax & Deferred Tax

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

19. Accounting of CENVAT Credit

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

20. Provision, Contingent Liabilities and Contingent Assets

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

Notes on Financial Statements:

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

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

(b)	The above facilities are further secured by first charge on Land, Building and Plant & machinery of steel division, land & building of administrative block and residential colony save and except first "paripassu" charge on certain personal assets of promoters and directors.			
2.	Working Capital Loan from PNB Rs. 97222808.89 are secured by hypothecation of entire current assets (present & future) of the Multi-layered kraft paper unit save and except assets charged to bank to rank "paripassu" between lenders at para 1.			
NOTE 7 TRADE PAYABLES				
				31-03-14
			Rupees	Rupees
	Sundry Creditors			
	-Due to Micro, Small & Medium Enterprises		-	
	-Due to Others		292379222.41	292379222.41
				292379222.41
NOTE 8 OTHER CURRENT LIABILITIES				
				31-03-14
			Rupees	Rupees
	Current maturities of long term debt (Refer Note No.			53284000.00
	Others			
	-Creditors for Capital Expenditure		14296213.00	
	-Payable to Others		2306155.00	
	-Salaries & benefits		3262721.00	
	-Provision for expenses		21498909.00	
	-Withholding and Other tax payable		15661386.00	
	-Advance from customers		661171.00	57686555.00
				110970555.00
NOTE 9 SHORT TERM PROVISIONS				
				31-03-14
			Rupees	Rupees
PROVISIONS				
	For Employees Benefits		463673.00	
	For Others			
	-Provision for Income tax (net of prepaid taxes)		969000.00	
	-Others		97847.00	1530520.00
				1530520.00

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

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

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

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

NOTE 21 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE				
				31-03-14
			Rupees	Rupees
Inventories (at commencement)			-	
Add: on Scheme of arrangements [Refer Note No.34]				
-Finished Goods			81564030.00	
-Stock in Trade-Shares			38500.00	
-Stock in Process			1565600.00	
			83168130.00	
Inventories (at close)				
-Finished Goods			111643992.00	
-Stock in Trade-Shares			38500.00	
-Stock in Process			1937600.00	
			113620092.00	(30451962.00)
				(30451962.00)
Excise Duty on Increase/ (Decrease) of Finished Goods				2431875.00
				(28020087.00)

NOTE 22 EMPLOYEES BENEFIT EXPENSES				
				31-03-14
			Rupees	Rupees
Salaries, wages & allowances				36331620.00
Contribution to Funds				1087554.00
Welfare exp.				175985.00
				37595159.00

22.1 Disclosure pursuant to Accounting Standard 15(Revised) Employee Benefits the following tables summaries the components of the net benefit expenses recognized in the Profit and Loss Account and the funds status and amount recognized in Balance Sheet.				
Profit and Loss Account				
Net employees benefit expenses(recognized in Personnel expenses)				
			Defined Benefit	
			Gratuity	Leave Encashment
Current service cost			1028309.00	292149.00
Interest on defined benefit obligation			153638.00	28751.00
Expected return on plan assets				
Net actuarial losses/(gains) recognized in the year				
Past service cost				
Actuarial(gain)/losses			(748829.00)	(147964.00)
Total included in 'Salaries, wages and allowances'			433118.00	172936.00
Balance Sheet				
Details of Provisions for Gratuity and Leave				
Liability at the end of the year			2353597.00	532323.00
Fair value of plan assets at the end of year				
Difference			2353597.00	532323.00
Unrecognized past service cost				
Unrecognized transition liability				
Amount in Balance Sheet			2353597.00	532323.00
Changes in the present value of the defined benefit obligation are as follows:				
Liability on account of Scheme of Arrangement *			1920479.00	359387.00
Interest cost			153638.00	28751.00
Current service cost			1028309.00	292149.00

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

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

d.	Disputed demands under:				
	Sales Tax/Commercial Tax				17.45
	Factories Act				2.00
	Central Excise and Service Tax				38.34
NOTE 31 DIRECTOR'S REMUNERATION					
					31-03-14
	Salaries to Managing and Whole Time Directors				12660000.00
	Computation of Managerial Remuneration:				
	Profit before tax as per Profit & Loss Account				131001498.67
	Add: Director's Remuneration				12660000.00
					143661498.67
	Less: Profit on sales of Fixed Assets				188040.00
	Profit on sales of shares				8075000.00
	Net Profit as per section 198 of the Companies Act, 1956				135398458.67
	Maximum permissible remuneration to whole time directors under section 198 of the Companies Act, 1956 @ 10% of the Profit computed above				13539845.87
NOTE 32 RELATED PARTY DISCLOSURE					
	Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below:				
	a. Key Management Personnel				: Ishwar Chandra Agarwal
					: Kailash Chandra Agarwal
					: Himanshu Agarwal
					: Rajendra Kumar Agarwal
					: Jitendra Kumar Agarwal
	b. Relatives of Key Managerial Personnel				: Amit Agarwal (HUF)
					: Rajendra Kumar Agarwal (HUF)
	c. Enterprises controlled by Key Management personnel and Individuals having significant influence				: Genus Power Infrastructure Ltd.
					: Genus Electrotech Ltd.
					: Kailash Coal and Coke Co. Ltd
					: Virtuous Urja Ltd.
					: J.C.Textile Pvt.Ltd.
					: Genus Innovation Ltd.
					: I.C.Finance Pvt Ltd.
					: Genus Apparels Ltd.
					: Hi-Print Electromack Pvt. Ltd.
					: Genus International Commodities Ltd.
					: Vivekshil Dealers Pvt. Ltd.
					: Jai Narain Bajrang Lal Todi Trust
	d. Holding				: Genus Power Infrastructure Limited (Upto 10.1.2014)
	e. Associates				: Virtuous Paper & Urja Limited

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

NOTE 33 SEGMENT REPORTING**a. Primary Segment Reporting (by business segment)**

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organizational structure as well as the differential risk and returns of these segments. Detail of products included in each of the segments are as under:

	Paper	Kraft Paper		
	Steel	M.S. Ingot		

2. Information about Business Segments :

A	REVENUE	Paper	Steel	Total
1	Gross Sales	2212145321.00	442399892.00	2654545213.00
2a	Other income	-	-	-
2b	Unallocated Other income			
	Other income	-	-	66553785.00
	Total Other Income	-	-	66553785.00
3	Total Revenue	2212145321.00	442399892.00	2721098998.00
B	RESULTS			
1	Segment Result (PBIT)	181474408.96	6960771.58	188435180.54
2	Unallocated Segment Result (PBIT)			(623950.00)
2	Interest and financial charges			56809731.87
3	Profit from Ordinary activities			131001498.67
4	Profit before Tax			131001498.67
5	Provision for Current Tax			32066938.00
6	Deferred Tax			(3394617.00)
7	MAT Credit entitlement			-
8	Profit after Tax			102329177.67
C	Other Information:			
1	Segment Assets	2576495056.13	148836844.55	2725331900.68
2	Unallocated Corporate Assets			1787038670.61
3	Total Assets			4512370571.29

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

NOTE 35

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

NOTE 36

1. Being the first year of consolidation, previous year's figures have not been given.
2. The figures of current year incorporate the transactions specified in the scheme of arrangement as explained in Note no. 34 supra, which has vested with the company.

As per our report attached

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

Pradeep Kapoor
Proprietor
Membership No. 074491

Moradabad, July 23, 2014

for and on behalf of the Board

Kailash C. Agarwal
Mg. Director
DIN-00895365

Himanshu Agarwal
Wt. Director
DIN-00065185

Ankit Agarwal
Company Secretary

STATEMENT RELATING TO SUBSIDIARY COMPANIES

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

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDIAN PAPER INDUSTRY

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

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

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

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

B) OPPORTUNITIES AND THREATS

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

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

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

C) OUTLOOK

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

D) RISKS AND CONCERNS

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

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

E) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The summary of audited financial results of the Company for the six months period ended 30.9.2014 and for the year ended 31.3.2014 is stated below:-

Financial Highlights	(Rs. in Lakh)	
	Six months period ended 30 September, 2014	Year ended 31 March, 2014
Gross Sales	14285.66	26545.45
Net Sales	13308.76	24746.11
Other Income	273.76	665.16
Profit before Finance Cost and Depreciation (PBIDT)	1442.04	2609.16
Profit before Depreciation and Tax (PBDT)	1183.45	2041.08
Profit before Tax (PBT)	753.27	1316.28
Profit after Tax (PAT)	515.82	1029.55
EPS (Basic & Diluted) (Annualised) (in Rs.)	0.40	0.40

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

The production of paper and steel ingot during the six months period ended 30.9.2014 is 35,944.38 tonnes and 7,516.28 tonnes respectively and during the year ended 31.3.2014 was 80,016.69 tonnes and 12,989.21 tonnes respectively.

F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

the Directors. Audit Committee reviews such audit findings and the adequacy of internal control systems. The Statutory Auditors, Internal Auditors and the Cost Auditors of the Company also interact with the Audit Committee to share their findings and the status of corrective actions under implementation.

G) HUMAN RESOURCES

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

The Company employs about 279 people as on date of this information memorandum.

H) CORPORATE SOCIAL RESPONSIBILITY

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

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

I) CAUTIONARY STATEMENT

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

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding or tax liabilities by or against our Company, our Directors, our Promoter and our Group Companies that would have a material adverse effect on our business and there are no defaults, nonpayment or overdue of statutory dues, institutional/bank dues or dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares (irrespective of whether they are specified under Part I of schedule V of the Companies Act 2013), that would have a material adverse effect on our business.

Litigations by or against our Company (as on 31.03.2014)

Sr. No.	Date & Case no / Appeal no. /Details of court	Petitioners / applicants Defendant / respondent	Brief description of the case	Amount under consideration (Rs. In Crores)	Current Status
Against Company- Excise & Service Tax					
There are 04 cases against the Company with minority relief amounting to Rs. 0.38 crores claimed therein against the Company.					
Against Company- CST & VAT					
There are 11 cases against the Company with minority relief amounting to Rs. 0.17 crores claimed therein against the Company.					
Against Company - Labour Law					
1.	Labour Law	Rishipal Singh v/s GPBL	The Company terminated services of one Mr. Rishi Pal for cause and paid him Rs. 6316/- as full and final settlement, which was refused and an industrial dispute initiated. Not satisfied with the conciliation proceedings held before the Deputy Labour Commissioner, Moradabad, Mr. Rishipal filed the present petition with Presiding Officer, Labour Court, Rampur. He has prayed for orders of reinstatement along with the complete past wages, other employment benefits and cost of litigation. The Company has filed its reply and the matter is pending.	If the orders are adverse, the Company (subject to appeal and outcome thereof) may have to reinstate him along with past wages and all the other employment benefits along with the cost of the litigation.	Matter is Pending

Litigations by or against our Group Companies

GENUS POWER INFRASTRUCTURES LIMITED ("GPIL") (as on 31.03.2014)

Sr. No	Date / Case no & Appeal no. / Details of court	Petitioners / applicants Defendant / respondent	Brief description of the case	Amount under consideration (Rs. In Crores)	Current Status
Against GPIL- Service Tax & Excise Duty					
There are 19 cases against the Company with monitory relief amounting to Rs. 2.44 crores claimed therein against the Company.					

The amount claimed does not exceed Rs.1 Crore, except in 2 cases. The details of the case where the amount involved is more than Rs. 1 crore is as below:					
1	Show Cause Notice No.V(H)ST/Adj-1/29/07/3014 dated 26.12.2008.	GPIL Vs Commissioner of Central Excise, Jaipur	Disallowance of CENVAT credit on Civil & Erection Work Contracts ad Commissioning	1.33	The Company has filed an appeal in CESTAT, New Delhi with stay application No.ST/Misc/57888/2013 and personal hearing awaited. (30 lakhs have been deposited under protest)
2	Show Cause Notice No. V(H) Adj.-1/ST /292/2013/865 dated 3-06-2013	GPIL Vs Commissioner of Central Excise, Jaipur	Disallowance of CENVAT credit on Civil & Erection Work Contracts ad Commissioning	1.65	The reply yet to be submitted.
Against GPIL – Sales Tax					
There are 41 cases against the Company with relief amounting to Rs. 32.23 crores aggregately claimed therein against the Company. The amount claimed does not exceed Rs.1 Crore individually, except in 9 cases. The details of the case where the amount involved is more than Rs. 1 crore is as below:					
1	Dy. Commissioner Appeals - III Jaipur	Genus Power infrastructure Ltd. V/s C.T.O. Anti Evasion Zone-II jaipur	As per Assessment order dated 29.11.2013, the Sales Tax Anti Evasion Zone -II Jaipur has raised demand on disallow the 6(2) Sales of Rs. 98789571/- for the year 2007-08	4.61	The Company filed appeal against the order of assessing authority. Stay has been granted on demand by appellate authority. (12.34 lakhs have been deposited under protest)
2	Dy. Commissioner Appeals - III Jaipur	Genus Power infrastructure Ltd. V/s C.T.O. Anti Evasion Zone-II jaipur	As per Assessment order dated 29.11.2013, the Sales Tax Anti Evasion Zone -II Jaipur has raised demand on disallow the 6(2) Sales of Rs. 78774814/- for the year 2008-09	3.55	The Company filed appeal against the order of assessing authority. Stay has been granted on demand by appellate authority. (9.84 lakhs have been deposited under protest)
3	Appeal No. PT-182/2012 Commercial Taxes Tribunal Bihar	Genus Overseas Electronics Ltd. V/s C.T.O. Circle Patliputara	As per the Assessment Order for FY 2008-09 dated 09.03.2011, the Sale Tax Deptt. (Bihar) has raised demand due to non-submission of Declaration Forms i.e. 'E-I' & 'C'.	2.64	The matter has been remand back by Tribunal to JC (A) for fresh hearing and decision in the matter. (155.90 lakhs have been deposited under protest)
4	Joint Commissioner (Appeal) Kolkata	Genus Power Infrastructures Ltd. V/s Joint Commissioner Audit	The assessment order passed by the sales tax department Kolkata for the FY 2009-10 and raised the demand on freight expenses, civil work and disallow the ITC claim.	1.30	The Company has filed an appeal before Joint Commissioner (Appeal), Kolkata. The matter is pending for hearing before JC.
5	269/ 2006-07 Dy. Commissioner, Appeal I Moradabad	Genus Power Infrastructure Limited V/S Dy. Commissioner, C.T. Moradabad	Penalty U/S 15 A (1) QQ , for the period 2006-07	1.68 (Stay from Tribunal)	Dy. Comm. Appeal heard the Case and Pending for the final Hearing, beside Stay Granted by Tax Tribunal, Moradabad till the Disposal of the Appeal.

6	270/2007-08 Dy. Commissioner, Appeal-1 Moradabad	Genus Power Infrastructure Limited V/S Dy. Commissioner, C.T. Moradabad	Penalty U/S 15 A (1) QQ, for the period 2007-08	7.67 (Stay from Tribunal)	Dy. Comm. Appeal heard the Case and Pending for the final Hearing, beside Stay Granted by Tax Tribunal, Moradabad till the Disposal of the Appeal.
7	Appeal No. PT- 210/2012-13	Joint Commissioner (Appeal) Patna	As per the Assessment Order for FY 2009-10 dated 25.02.2012, the Sale Tax Deptt. (Bihar) has raised demand due to non- submission of Declaration Forms i.e. 'E-I' & 'C'. In reassessment order the AA again raised the demand.	3.75	The Company has deposited Rs.117.54 lacs against the total demand of Rs.375.30 lacs. The Company has filed an appeal before Joint Commissioner, Patna, Bihar. The JCCT Appeals allowed our appeal.
8	-	Genus Power Infrastructures Ltd. V/s C.T.O. Circle Patliputara	As per the Assessment Order for FY 2010-11, the Sale Tax Deptt. (Bihar) has raised demand due to non-submission of Declaration Forms i.e. 'E-I' & 'C'.	2.44	The Company has deposited Rs.42.42 lacs against the total demand of Rs.243.49 lacs. The Company has filed an appeal before Joint Commissioner, Patna, Bihar.
9	G- 181/ 2008- 09 Dy. Commissioner , C.T. Khand -9, Moradabad	Genus Power Infrastructure Limited V/S Dy. Commissioner, C.T. Moradabad	As per the Assessment Order for FY 2008-09 dated 30.06.2012, the Sale Tax Deptt. (U.P.) has raised demand because of sales made under notification of UP Govt. dt. 12.7.2006 but the Deptt. has not accepted the same from 1.4.2008.	1.06	The Company has filed an appeal before Jt. Commissioner of sales Tax, Moradabad, which was remanded back to Assessing Authority and case is pending for reassessment.

Against GPIL – Commercial and Others

There are 25 cases against the Company with relief amounting to Rs.21.64 crores aggregately claimed therein against the Company. The amount claimed does not exceed Rs.1 Crore individually, except in 2 cases. The details of the case where the amount involved is more than Rs. 1 crore is as below:

1	SAW'464' of 2013 - L on 22.04.13 Rajasthan High Court, Jaipur Bench (RHC)	State of Raj And Ors Vs. M/s Genus Power Infrastructures Ltd. And Ors	Appeal filed By RIICO Limited against the RHC's order dated 29-04-2011 allowing the Company's writ petition filed before RHC for compensation / ad hoc relief from IOCL for loss on account of blast/fire incident at IOCL depot.	14.18	Matter is under consideration of RHC. The Company does not envisage any liabilities in this case.
2	SAW'642' of 2013 - D on 6.07.2013 Rajasthan High Court, Jaipur Bench (RHC)	State of Raj And Ors. Vs. M/s Genus Power Infra And Ors	Appeal filed By RIICO Limited against the RHC's order dated 27-02-2013 on review petition by RIICO for order dated 29-04- 2011 allowing the Company's writ petition filed before RHC for compensation / ad hoc relief from IOCL for loss on account of blast/fire incident at IOCL depot.		Matter is under consideration of RHC

Against GPIL - Income Tax					
There are 7 cases against the Company with relief amounting to Rs.33.57 crores claimed therein against the Company. The amount claimed does not exceed Rs.1 Crore, except in 5 cases. The details of the case where the amount involved is more than Rs. 1 crore is as below:					
1	Rajasthan High Court Case No.:		Towards disallowances of various expenses	20.64	IT Department has filed an appeal before the Rajasthan High Court (RHC) against the orders of ITAT decided in favour of the Company. Matter is pending before RHC, for hearing.
	ITA 327 of 2005-R Regd on 17-11-05	CIT Jaipur- III	For AY 2001-02		
	ITA 638 of 2008-R Regd on 17-11-08	CIT Jaipur	For AY 2000-01		
	ITA 615 of 2008-R Regd on 17-11-08	CIT Jaipur	For AY 2002-03		
	ITA 640 of 2009-R Regd on 20-11-09	CIT Jaipur	For AY 2005-06		
	ITA 303 of 2009-R Regd on 21-03-09	CIT Jaipur	For AY 2004-05		
	ITA 300 of 2009-R Regd on 21-03-09	CIT Jaipur	For AY 2003-04		
	ITA 257 of 2011-R Regd on 20-08-11	CIT Jaipur	For AY 2006-07		
	ITA 173 of 2012-R Regd on 13-07-12	CIT Jaipur	For AY 2007-08		
2	ITAT Jaipur Appeal No. IT 257/JPR-2012 dated 16-03-2012	Income Tax Officer Ward 7(2), Jaipur	Towards disallowances of various expenses for AY 2008-09	2.82	Pending for Hearing before ITAT Jaipur
3	CIT(A) Jaipur Appeal dated 12.04.2013	Income Tax Officer Ward 7(2), Jaipur	Towards penalty imposed for AY 2008-09	1.54	The Company has filed Appeal before CIT-A against demand of ITD for penalty for AY 2008-09.
4	CIT(A) Jaipur Appeal dated 16.04.2014	Income Tax Officer Ward 7(2), Jaipur	Towards disallowance of various expenses and other additions made during assessment of AY 2011-12	1.93	The Company has filed Appeal before CIT-A against demand of ITD for AY 2011-12. (Stay on 183 Lacs)
5	CIT(A) Jaipur Appeal dated 16.04.2014	Income Tax Officer Ward 7(2), Jaipur	Towards disallowance made during re-assessment of AY 2008-09	6.19	The Company has filed Appeal before CIT-A against demand of ITD for AY 2008-09 (Reassessment). (Rectification is under process for 5.89 crore)

GENUS INNOVATION LIMITED ("GIL") (as on 31.03.2014)

Sr. No.	Date & Case no / Appeal no. /Details of court	Petitioners / applicants Defendant / respondent	Brief description of the case	Amount under consideration (Rs. In Crores)	Current Status
Against GIL- Income Tax					
There are 3 cases against the Company with minority relief amounting to Rs. 0.75 crores claimed therein against the Company.					
Against GIL- Sales Tax					
There is 1 case against the Company with minority relief amounting to Rs. 0.22 crores claimed therein against the Company.					

GENUS ELECTROTECH LIMITED ("GEL") (as on 31.03.2014)

Sr. No	Date & Case no / Appeal no. /Details of court	Petitioners / applicants Defendant / respondent	Brief description of the case	Amount under consideration (Rs. In Crores)	Current Status
Against GEL- Income Tax					
There is 1 case against the Company with monitory relief amounting to Rs. 0.42 crores claimed therein against the Company. The amount claimed does not exceed Rs.1 Crore, except in 6 cases. The details of the case where the amount involved is more than Rs. 1 crore is as below:					
1.	Appeal NO. 2830/Ahd-2013 dated 03.12.2013-ITAT, Ahmedabad	Dy. CIT, Circle -4, Ahmedabad v/s GEL	For the A.Y. 2007-08 the Company had preferred an appeal before CIT(Appeal), Ahmedabad and received CIT(Appeal) Orders dated 28.10.2013 for A.Y.2007-08 wherein almost all the issue raised have been accepted. However, still aggrieved the Company has preferred an appeal before ITAT: Ahmedabad which is still pending	2.48	Matter is pending
2.	Appeal NO. 2831/Ahd-2013 dated 03.12.2013-ITAT, Ahmedabad	Dy. CIT, Circle -4, Ahmedabad v/s GEL	For the A.Y. 2008-09 the Company had preferred an appeal before CIT(Appeal), Ahmedabad and received CIT(Appeal) Orders dated 28.10.2013 for A.Y.2008-09 wherein almost all the issue raised have been accepted. However, still aggrieved the Company has preferred an appeal before ITAT: Ahmedabad which is still pending	3.66	Matter is pending
3.	Appeal No.215 dated	ACIT, Circle 4, Ahmedabad V/s GEL	For the A.Y. 2009-10 the Company had preferred an appeal before CIT(Appeal), Ahmedabad and received CIT(Appeal) Orders dated 31.03.2014 for A.Y.2009-10 wherein almost all the issue raised have been accepted. However, still aggrieved the Company has preferred an appeal before ITAT: Ahmedabad which is still pending	4.23	Matter is pending
4.	Appeal No. -- dated 08.04.2013	DCIT, Circle 4, Ahmedabad V/s GEL	For the A.Y. 2010-11 the Company had preferred an appeal before CIT(Appeal), Ahmedabad and received CIT(Appeal) Orders dated 31.03.2014 for A.Y.2010-11 wherein	4.68	Matter is pending

			almost all the issue raised have been accepted. However, still aggrieved the Company has preferred an appeal before ITAT: Ahmedabad which is still pending		
5.	AY 2011-12	DCIT, Circle 4, Ahmedabad	Assessment Order has been passed by the DCIT, Circle-4, Ahmedabad, on 27.01.2014 and raise demand of Rs.2.02 Crores. However, still aggrieved, the Company has decided to file an appeal before CIT(A), Ahmedabad against the above said order.	2.02	Assessment Order has been passed by DCIT on 27.01.2014.
Against GEL – Legal					
6.	Appeal No. 6740 of 2012 dated 17.12.2012	Uttar Haryana Bijli Vitran Nigam Ltd., (UHBVNL) v/s. GEL	The High Court of Punjab & Haryana has given its order on 03.02.2014 vide which it has given some relief to the Company. Now the amount of claim of UHBVNL will be reduced from Rs.1.72 Crores + 18 % interest to Rs.93.01 Lacs + 18% interest from the date of demand. The Company had filed SLP in Supreme Court against the above said order of High Court, however Supreme Court has not accepted the SLP of the Company. However, still aggrieved, the Company has decided to file revision petition in High Court of Punjab & Haryana against the above said order.	0.93 + 18% interest from the date of demand	Order passed by HC on 03.02.2014 & SC on 09.07.2014

KAILASH COAL & COKE COMPANY LIMITED (KCCCL) (as on 31.03.2014)

Sr. No.	Date & Case no / Appeal no. /Details of court	Petitioners / applicants Defendant / respondent	Brief description of the case	Amount under consideration (Rs. In Crores)	Current Status
Against KCCCL- UP VAT & Trade Tax					
There are 3 cases against the Company with minority relief amounting to Rs. 0.29 crores claimed therein against the Company. The amount claimed does not exceed Rs. 1 Crore individually.					

MATERIAL DEVELOPMENTS SINCE LAST BALANCE SHEET DATE

- The Hon'ble High Court of Judicature at Allahabad, vide Order dated October 29, 2013, has sanctioned the Composite Scheme. Pursuant to the Scheme, the GPIL Demerged undertakings have been vested with our Company with effect from April 1, 2011 (i.e. the Appointed Date under the Composite Scheme of Arrangement) under Sections 391 to 394 of the Companies Act, 1956.
- The aforesaid order of the Hon'ble High Court of Judicature at Allahabad was filed by our Company with the Registrar of Companies ("ROC"), Uttar Pradesh, Kanpur on November 29, 2013 which is the Effective Date of the Scheme.
- As per the Composite Scheme, all assets, debts, liabilities, duties and obligations etc. of GPIL (in relation to Demerged Undertaking) transferred and vested to our company as going concern. Further, our company issued and allotted equity shares on January 17, 2014 to every member of GPIL, whose name appears in the register of members of GPIL, on the record date i.e. January 11, 2014.
- Our Company has received copy of letter CFD/DIL/BNS/SD/1070/2015 dated January 08, 2015 from SEBI and addressed to BSE granting relaxation to the Company from the applicability of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957.

GOVERNMENT APPROVALS & LICENCES

Our Company (Corporate Identification Number U21098UP2012PLC048300) was incorporated as a public limited company on January 11, 2012 as "Genus Paper & Boards Limited" with its registered office at Village Aghwanpur, Kanth Road, Moradabad, Uttar Pradesh-244001. Our Company received certificate of commencement of business on January 13, 2012 from the Registrar of Companies, Kanpur.

- The CIN No. of Company is U21098UP2012PLC048300
- Permanent Account Number of the Company as issued by the Income Tax Department is AAECG5483A.
- Service Tax Registration number of the Company, as issued by the Central Excise Officer is AAECG5483ASD001.
- Tax Deduction Account Number of the Company, as issued by the Income Tax Department is LKNG06600G.
- TIN (Tax Payee's Identification Number) of the Company issued by Department of Commercial Taxes, GoI, UP VAT Rules, 2007 is 09858912779.
- Central Excise Registration number of the Company, as issued by the Central Excise Officer is AAECG5483AEM001.
- Central Sales Tax Registration number of the Company is 09858912779C.
- IEC Number of the Company as issued by Directorate General of Foreign Trade, Moradabad is 2913003141.

With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, bids, tenders, registration and other licences, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), patents, copyrights, records, designs, and all relevant intellectual property rights in the aforesaid, municipal permissions, approvals, consents, subsidies, and/or residential properties for the employees, privileges, income tax benefits and exemptions under the Income Tax Act, 1961 (or any statutory modification or reenactment thereof for the time being in force), all other rights including sales tax deferrals and exemptions and other benefits, lease rights and the rights in relation thereto, receivables, and liabilities related thereto, licences, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the GPIL Demerged Undertakings stand transferred to and vested in or be deemed to be transferred to and vested in our Company as a going concern without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory or other authorities concerned therewith in favour of our Company. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents including the statutory or other licences, tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to our Company pursuant to the Scheme.

SECTION VII – OTHER INFORMATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF GPBL

The important provisions of the Articles of Association are reproduced below:

TABLE 'A' APPLICATION

3. The Company is established with and subject to the provisions of the Companies Act, 1956 but none of the regulations contained in the Table marked "A" Schedule I to the Companies Act, 1956, shall be applicable to the company except in so far as the said Act or any modifications thereof otherwise expressly provides.

SHARE CAPITAL

8. The Authorised Share Capital of the Company is as mentioned in clause V of the Memorandum of Association of the Company with power of the Board of Directors to Sub-divide, consolidate and increase and with power from time to time, issue any shares of the original capital with and subject to any preferential, qualified or special rights, privilege or conditions as may be, thought fit, and upon the sub-division of shares apportion the right to participate in profits in my manner as between the shares resulting from sub-division.
9. Subject to the provisions of the Companies Act, 1956, and other applicable laws, rules, regulations and guidelines, the Company shall have power to issue and allot warrants convertible into equity shares of the Company on the terms and conditions as may be determined by the Board of Directors of the Company."

INCREASE OF CAPITAL BY THE COMPANY AND HOW CARRIED INTO EFFECT

10. The Company in General Meeting, may by an Ordinary Resolution from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, the new shares shall be issued, upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine; and in particular, such Shares may be issued with a preferential right to dividends and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company is increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act. Provided that no shares other than preference shares, shall be issued carrying voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares, not being preference shares.

NEW CAPITAL SAME AS EXISTING CAPITAL

11. Except so far as otherwise provided by the conditions of issue, or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to provisions herein contained with reference to the payment of call and installments, forfeiture lien, surrender, transfer and transmission, voting or otherwise.
12. a) Subject to the provisions of section 80 of the Companies Act, 1956 and other applicable provisions of the Act the company shall have the power to issue Preference Shares of such face value with such rights, privileges and conditions to security, redemption, conversion into Equity Shares, rate of dividend, right of accumulation of dividend etc. as the Board of Directors of the Company may deem fit.

- b) Subject to the provisions of this section, the Company shall not issue any Preference Shares which is /are redeemable after the expiry of a period of 20 years from date of its issue provided that:
 - (i) No preference shares shall be redeemed except out of the profits of the company which would otherwise, be available for dividend or out of the proceeds of the fresh issue of shares made for the purpose of the redemption.
 - (ii) No preference shares shall be redeemed unless they are fully paid up.
 - (iii) The premium, if any, payable on redemption must have been provided for out of the profits of the company or the company's share premium account, before the shares are redeemed.
 - (iv) Where any preference shares are redeemed otherwise than out of the proceeds of a fresh issue there shall out of the profits which would otherwise have been available for dividend, be transferred to a reserve to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed, and the provision of the Companies Act relating the redemption of Share Capital of the company shall, except as provided in section 80 of the Act, apply as if the Capital Redemption Reserve Account is paid up share capital of the company.

REDUCTION OF CAPITAL

- 13. Subject to the provisions of Sections 78 and 100 to 104 of the Act, the Company may, from time to time by special resolution reduce its capital, or share premium account by paying off, or canceling or share premium account which has been lost, or is unrepresented by available assets, or is superfluous, or by reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that It may be called again or otherwise. The Board of Directors may, subject to the provisions of the Act, accept surrender of shares.

SUB-DIVISION, CONSOLIDATION & CANCELLATION

- 14. Subject to the provisions of Sections 94,106 and 107 of the Act, the Company in General Meeting may, by special resolution, from time to time subdivide or consolidate its shares or any of them, and determine the rights as between the holders of such shares as equal or confer preference, or special advantage as regards dividend, capital or otherwise over or as compared with others or other, Subject as aforesaid, the Company in general meeting, by special resolution, may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

MODIFICATION OF RIGHTS

- 15. a) If any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of sections 106 and 107 and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- b) To every such separate meeting, the provisions of these Articles relating to general meetings, shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question.

FURTHER ISSUE OF CAPITAL

- 16. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise

dispose of the same or any them of such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as right to call for any shares either at par or premium during such time and to such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares not be given to any person or persons without the sanction of the Company in the General Meeting.

17. 1. Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares, either out of unissued capital or out of the increased share capital, then:
 - (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;
 - (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in sub-clause (b) hereof, shall contain a statement of this right; PROVIDED that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the share offer to him.
 - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of directors may dispose of them in such manner as they think most beneficial to the company.
2. Notwithstanding anything contained in clause (1), the further shares aforesaid may be offered to any persons [whether or not those persons include the persons referred to in sub-clause (a) of clause (1) hereof] in any manner whatsoever-
 - (a) if a special resolution to that effect is passed by the company in general meeting, or
 - (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.
3. Nothing in sub-clause (c) of (1) hereof, shall be deemed-
 - (a) To extend the time within which the offer should be accepted, or
 - (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
4. Nothing in this Article shall apply to the increase of the subscribed capital of a public company caused by the exercise of an option attached to debentures issued or loans raised by the company:

- (i) To convert such debentures or loans into shares in the company, or
- (ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of debentures or the raising of the loans, or is in conformity with the rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans other than debentures issued to, or loans obtained from, the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or the raising of the loans.

UNDERWRITING COMMISSION

- 19. a) Subject to the provision of Section 76 of the Act, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and, in the case of debentures, two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in one way and partly in the other.

BROKERAGE

- b) The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

SHARE CERTIFICATE

- 20. a) Every member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name(s) of the person(s) in whose favour the certificate was issued, the shares to which it relates and the amount paid up thereon. Several certificates, each for one or more of his shares shall also be issued in market lots or in such higher market lots as may be requested by the Shareholder and free of any charge. Such certificate shall be issued only in pursuance of a resolution passed by the Board and in accordance with the provisions of Section 113 of the Act and the Companies (Issue of Share Certificates) Rules, 1960 or modifications, if any, and on surrender to the Company of its letter of allotment, or its fractional coupons of requisite value, save in cases of issues against letters of acceptance, or of renunciation, or in cases of issue of bonus shares. "Provided that however no share certificate shall be issued for shares held by a Depository".
- b) Every such certificate shall be issued under the seal of the Company and the seal shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificates, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name(s) of the person(s) to whom it has been issued, indicating the date of issue.
- c) Any two or more joint allottees of share shall, for the purpose of this article, be treated as a single

member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

- d) A Director may sign a share certificate by affixing his signature thereon by means of any machine equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the custody of such machine, equipment or other material for the purpose.
- c) No fee shall be charged for new share/debenture certificates in replacement of those which are old, decrepit or where the cages on the reverse for recording transfers have been utilised.
- d) Share/Debenture certificates should be issued in marketable lots and where share/debenture certificates are issued for either more or less than marketable lots shall be done free of charge.

DIRECTORS MAY MAKE CALLS

- 32. Subject to the provisions of Section 91 of the Act, terms of the issue and conditions of allotment, the Board of Directors may, from time to time, make such calls, as they think fit, upon the members in respect of all monies unpaid on the shares held by them respectively, and the member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board of Directors.

CALLS WHEN MADE

- 33. It shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors.

NOTICE OF CALLS

- 34. At least fifteen days notice in writing of any call shall be given by the Company, specifying the time and place of payment, and the person or persons to whom such call shall be paid; Provided that before the time for payment of such call the Board of Directors may, at its discretion, by notice in writing to the members, revoke or postpone the same. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

DIRECTORS MAY EXTEND TIME

- 35. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension, but no members shall be entitled to such extension save as a matter of grace.

CALLS CARRY INTEREST

- 36. If the sum payable in respect of any calls, or installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 15 per cent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall be at liberty to waive payment of that interest wholly or in part.

SUMS DEEMED TO BE CALLS

- 37. The provisions of these Articles as to payment of interest expenses, forfeiture or otherwise shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a

fixed time, whether on account of the nominal value of the share or by way of premium as if the same had become payable by virtue of a call duly made and notified.

PROOF ON TRIAL OF SUIT FOR MONEY DUE ON SHARES

38. On the trial, or hearing of any action, or suit brought by the Company against any member, or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered in the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is ought to be recorded, that the resolution making the call is duly recorded in the Minutes Book, and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that quorum of Directors was present at the meeting of the Board of Directors at which any call was made, nor that the meeting at which any call was made was duly convened, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

39. Neither the receipt by the Company of a portion of any money which from time to time be due from any member to the company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST

40. a) The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up; and upon the monies so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advance is made, the Board of Directors may pay or allow interest, at such rate not exceeding 18 percent per annum to the member paying the such sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time an amount so advanced or may at any time repay the sum upon giving to the member three months notice in writing; provided that monies paid in advance of calls on any shares may carry interest, but shall not confer a right to dividend or to participate in profits.
- b) No member paying any such sum in advance shall be entitled to voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable.

IF MONEY PAYABLE ON SHARES NOT PAID, NOTICE TO BE GIVEN TO MEMBER

41. If any member fails to pay any call or installment of any call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

TERMS OF NOTICE

42. The notice shall name a further day (not earlier than fourteen days from the date of service of time notice) at a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid, and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the nonpayment on or before the

time and at the place appointed, the shares in respect of which the calls was made or installment is payable, will be liable to be forfeited.

IN DEFAULT OF PAYMENT, SHARES TO BE FORFEITED

43. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may be forfeited by a resolution of the Board of Directors at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture.

NOTICE OF FORFEITURE TO A MEMBER

44. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice, or to make any such entry as aforesaid.

EVIDENCE OF FORFEITURE

45. A declaration writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

EFFECT OF FORFEITURE

46. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved. The holder of the shares shall cease to be a member in respect of the forfeited share.

MEMBER STILL LIABLE TO PAY MONEY OWING AT TIME OF FORFEITURE AND INTEREST

47. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, installments interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture, until payment, at such rate not exceeding 15 per cent per annum as the Board of Directors may determine, and the Board of Directors may enforce the payment thereof, if they think fit.

FORFEITED SHARES TO BE PROPERTY OF THE COMPANY AND MAY BE SOLD

48. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of to any person, upon such terms and in such manner as the Board of Directors shall think fit.

VALIDITY OF SALE UNDER ARTICLE 48

49. Upon any sale after forfeiture, or for enforcing lien in purported exercise of the powers herein given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in

damages only and against the Company exclusively.

CANCELLATION OF SHARE CERTIFICATES IN RESPECT OF FORFEITED SHARES

50. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) and stand cancelled and become null and void and be of no effect; and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

POWER TO ANNUL FORFEITURE

51. The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annul the forfeiture thereof upon such terms and conditions as they think fit.

COMPANY'S LIEN ON SHARES

52. The Company shall have a first and paramount lien upon all shares other than fully paid-up shares registered in the name of each member, (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that this article will have full effect. And such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

AS TO ENFORCE LIEN BY SALE

53. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until the expiration of 14 days after a notice in writing is served stating and demand payment of such amount in respect of which the lien exists to the registered holder of the shares for the time being or to the person entitled to the shares by reason of the death or Insolvency of the registered holder.

APPLICATION OF PROCEEDS OF SALE

54. The net proceeds of any such sale shall be received by the company and applied in or towards satisfaction of the amount in respect of which the lien exists as is presently payable and the balance, if any, shall subject to a like lien for sums not presently payable as existed upon the shares prior to the sale, be paid to the member or the person, if any, entitled by transmission to the shares on the date of sale.

REGISTER OF TRANSFERS

55. The Company shall maintain a 'Register of Transfers' and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share held in the material form.

INSTRUMENT AND REQUISITES OF TRANSFER

56. a) The shares in the Company shall be transferred by an instrument in writing in the prescribed form and in the manner provided under the provisions of Section 108 of the Act, the Rules prescribed thereunder and any modification thereof.
- b) Every such instrument of transfer shall be duly stamped and executed by or on behalf of the transferor

and by or on behalf of the transferee and shall be delivered to the company in accordance with the provisions of the Act along with the certificate relating to the shares, or if no such certificate is in existence, along with the letter of allotment of the shares. The instrument of transfer shall also be accompanied by such evidence as the Board of Directors may require to prove the title of the transfer and his right to transfer the shares. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof.

c) Dematerialization of Securities.

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities and/or offer fresh securities for subscription in a dematerialized form pursuant to the Depositories Act and the rules framed thereunder. Additionally, on the investor exercising an option to hold his/her securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize his/her securities, in which event, the rights and obligations of the parties concerned shall be governed by the Depositories Act".

d) Option to receive security certificates or hold securities with a depository

"Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository. Where a person opts to hold securities with a depository, the Company shall intimate to such depository, the details of allotment of the securities, and on receipt of such information, the depository shall enter in its records, the name of the allottee as the beneficial owner of those securities."

e) Securities in depositories to be fungible form

"All securities held by a depository shall be dematerialized and shall be in a fungible form."

Nothing contained in Sections 153,153A, 153B, 187B and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner.

f) Distinctive number of securities held by a Depository

"Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a Depository."

g) Transfer and Transmission of Securities

"Notwithstanding anything contained in the Act or these Articles, in the case of transfer or transmission of securities, where the company has not issued any certificates and where such securities are being held in an electronic and fungible form with a Depository, the provisions of the Depositories Act shall apply."

h) Rights of Depositories and Beneficial Owners

1. Notwithstanding anything to the contrary contained in the Articles or in any other law for the time being in force, a depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of a security on behalf of a beneficial owner.
2. Save as otherwise provided in clause (1) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
3. Every person holding equity share capital of the Company and whose name is entered as beneficial owner in the records of the depository, shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and shall be subject to all the liabilities in respect of his

securities held by a depository."

i) **Option to opt out in respect of any security**

"If a beneficial owner seeks to opt out of a depository in respect of any security, he shall inform the depository accordingly.

The depository shall, on receipt of such intimation, make appropriate entries in its records and shall inform the company.

The company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner or the transferee, as the case may be."

j) **Register and index of beneficial owners**

The Register and Index of beneficial owners maintained by a depository under section 11 of the Depositories Act shall be deemed to be the Register and Index of Members for the purposes of the Act."

k) **Beneficial owner deemed to be absolute owner**

"Except by an order of a Court of competent jurisdiction or if required by law, the company shall be entitled to treat the person whose name appears as the Beneficial Owner of securities in the records of depository as the absolute owner thereof and accordingly the company shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest of any other person in any security or (except as expressly provided by these Articles) any right in respect of a security other than an absolute right thereto, on the part of any other person whether or not it shall have express or implied notice thereof."

TRANSFER OF FULLY AND PARTLY PAID SHARES

57. a) An application for the registration of the transfer of any share may be made either by the transferor or the transferee; provided that where such application is made by the transferor, no registration shall in any case of partly paid shares, be effected, unless the Company gives notice of the application to the transferee and the company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register hereinafter stated in the Article 56, the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee subject to the provisions of the Act and of these Articles. The Company shall transfer the shares within one month from the date of lodgment of shares for transfer.
- b) For the purpose of sub-clause (a) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.
- c) Nothing in sub-clause (b) shall prejudice any power of the Board of Directors to register as a share holder any person to whom the right to any share has been transmitted by operation of law.
- d) Nothing in this Article shall prejudice the power of the Board of Directors to refuse to register the transfer of any shares to a transferee, whether a member or not.

TRANSFER FEE

58. No fee shall be charged for transfer, transmission, split, subdivision, consolidation or replacement of

shares, letter of allotment or letter of right and for registration of any power of attorney, probate, letter of administration or similar other documents.

NO TRANSFER TO INFANT

59. No share other than fully paid share, shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

DIRECTORS POWER TO TRANSFER SHARES

60. Subject to the provisions of Act, and these Articles the Board of Directors shall have control over the transfer and transmission of shares of the company, and the Board of Directors may transfer and transmit the shares by themselves or by constituting a committee therefore.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

61. Subject to the provisions of Section 111 of the Act, the Board of Directors may, at its own discretion and without assigning any reason, decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member) but in such cases it shall, within one months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer; provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.
62. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof.

TRANSFER DOCUMENTS

63. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of shares to be transferred, and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board of Directors may decline to register shall on demand, be returned, to the persons depositing the same.

RIGHTS TO SHARES ON THE DEATH OF MEMBER

64. a) On the death of a member, who was a sole holder, his legal representative shall be the only person recognized by the Company as having title to his interest in the shares.
- b) In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint- sector from any liability on shares held by him jointly with any other person.

TITLE TO SHARES OF DECEASED MEMBER

65. The executors or administrators or holders of a succession Certificate or the legal representatives of a deceased member (not being one of two or more joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession certificates or legal representatives unless such executors or administrators or legal representative shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a Competent Court;

provided that in any case where the Board of Directors in its absolute discretion think fit the Board of Directors may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise, as the Board of Directors in its absolute discretion may think necessary,, and under Article 65 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

REGISTRATION OF PERSONS ENTITLED TO SHARES OTHERWISE THAN BY TRANSFER

66. Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board of Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board of Directors shall require, either be registered himself as the holder of the shares upon giving a notice in writing or elect to have some person nominated by him and approved by the Board of Directors registered as such holder, provided, nevertheless that if such person shall elect to have his nominee as instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.

PERSONS ENTITLED MAY RECIEVE DIVIDEND WITHOUT BEING REGISTERED AS MEMBER

67. A person entitled to share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided be entitled to receive, and may give a discharge for, any dividends or other monies payable in respect of the shares;

Provided that the Board of Directors may at any time give notice requiring any such person to out either to be registered himself or elect to transfer the shares and if the notice is not complied with within 90 days the Board of Directors may thereafter with hold payment of all dividend .bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

68. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right; title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be borne or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.

POWER TO BORROW

69. Subject to the provisions of the Act, and these Articles, the Board of Directors may from time to time, as its discretion by a resolution passed at their meeting accept deposits from members, either in advance of calls or otherwise and generally raise or secure the payment of any sum or sums of money for the purpose of the Company; Provided, however, where the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board of Directors shall not borrow such monies without the consent of the Company in General Meeting.

PAYMENT OR REPAYMENT OF MONEYS BORROWED

70. Subject to the provisions of the Act, and these Articles, the payment or repayment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular by the issue of perpetual or redeemable debentures, debenture stock, bonds or other securities of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being; and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

STATUTORY MEETING AND ANNUAL GENERAL MEETING

76. a) The company shall, with in a period of not less than one month nor more than six months from the date at which the company is entitled to commence business, hold a general meeting of the members of the company, which shall be called the "Statutory Meeting".
- b) The Board of Directors shall, at least twenty one days before the day on which the meeting is held, forward a report to every member of the company, which shall be called the "Statutory Report".
- c) The Company shall, in each year, hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. The first Annual General Meeting of the Company shall be held within eighteen months from that date of its incorporation and the next Annual General Meeting of the Company shall be held within six months after expiry of the financial year in which the first Annual General Meeting was held, and thereafter, Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next.
- d) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held.
- e) Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city/town in which the Office of the Company is situated as the Board may determine and the notice calling the meeting shall specify it as the Annual General Meeting.
- f) Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting, Annual or Extra ordinary, which he attends on any part of the business which concerns him as Auditor.
- g) At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors Shareholdings, which latter Register shall remain open and accessible during the continuance of the meeting.

EXTRA-ORDINARY GENERAL MEETING

77. a) All General Meetings other than Annual General Meetings referred to in Article shall be called Extra-Ordinary General Meetings.
- b) The Board of Directors may, whenever they think fit, call an Extra-Ordinary General Meeting and it shall also do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in

respect of which the requisition has been made.

- c) Extraordinary General Meeting may be called for a time during business hours on a day that is not a public holiday and shall be held either at the Office of the Company or at such convenient place as the Board of Directors may deem fit.
- d) Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionist and be deposited at the Office of the Company; provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.

ON RECEIPT OF REQUISITION, BOARD TO CALL THE MEETING AND IN DEFAULT REQUISITIONISTS MAY DO SO

78. Upon receipt of any such requisition, the Board of Directors shall forthwith call an Extraordinary General Meeting, and it does not proceed within twenty-one days from the date of the requisition being deposited at the Office, to cause a meeting to be call on a day not later than forty-five days from the date of deposit of requisition, the requisitiionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

MEETING CALLED BY REQUISITIONISTS

79. A meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

TWENTY-ONE DAYS NOTICE OF MEETING TO BE GIVEN

80. Every General Meeting, Annual or Extraordinary and by whomsoever called or any such meeting adjourned for 30 days or more may be convened by giving at the least Twenty-one days' notice specifying the day, place and hour of meeting, and the nature of the business to be transacted thereat in the manner hereinafter provided, to such persons as are under these Articles and the Act entitled to receive notice from the Company. However, a meeting may be convened by a shorter notice that in the case of an Annual General Meeting, with the consent in writing of all the members entitled to vote thereat and in the case of any other meeting, with the consent of members .holding not less than 95 percent of such part of the paid-up share capital of the Company as having a right to vote at the meeting.

NUMBER OF VOTES TO WHICH MEMBER ENTITLED

98. Subject to the provisions of the Act and these Articles, every member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands, every member present in person (including a body corporate present by a representative duly authorized in accordance with the provisions of Sections 187 and 187A of the Act shall have one vote, and upon a poll the voting right of every member present in person (including a body corporate present as aforesaid) or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company.

NUMBER OF DIRECTORS

111. Until otherwise decided by the Company in a General Meeting, the number of Directors shall not be less than three and more than twelve. The Directors are not required to hold any qualification shares.

RETIREMENT AND ROTATION OF DIRECTORS

114. a) At every Annual General Meeting of the Company one-third such of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest one-third shall retire from office.
- b) The Directors to retire every year shall be those who have been longest in office since their last election, but as between the persons who became Directors on the same day, those who retire shall unless they otherwise agree among themselves, be determined by lot.
- c) A retiring Director shall be eligible for re-election.

INCREASE OR REDUCE NUMBER OF DIRECTORS

121. Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in General Meeting by an ordinary resolution may increase or reduce the number of Directors, subject to the limits set out in the Article 111 and may also determine in what rotation the increased or reduced number is to retire.

REMUNERATION OF DIRECTORS

- 124.a) The Board of Directors may from time to time decide the fee payable to a Director for each meeting of the Board or Committee thereof attended by him a sum not exceeding the amount as may be prescribed under the Act Subject to the provisions of the Act, such additional remuneration as may be fixed by the Board may be paid to any one or more of the Directors for services rendered by him or them; and the Directors shall be paid such further remuneration (if any as the Company in General Meeting shall from time to time determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may, from time to time, determine and in the absence, shall be divided among the Directors equally.
- b) The Board of Directors may allow and pay to any Director, who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for travelling, boarding lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be paid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.

POWERS OF DIRECTORS

- 131.a) The business of the Company shall be managed by the Board of Directors, who may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other Act, or by the Memorandum or by the Articles of the Company, required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or another Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but not regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made; provided that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated. Provided further that the Board shall not, except with the consent of the Company in General Meeting transact any business stated in Section 293 of the Act.
- b) The Board may from time to time raise any money or any monies or sums of money for the purpose of the Company provided that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not without the sanction of the Company at a General Meeting exceed the aggregate of the

paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose.

SPECIFIC POWERS GIVEN TO DIRECTORS

- 132.a) Without prejudice to the foregoing restrictions and powers and so as not in any way to limit or restrict the same, the Board shall have the power and authority to exercise, from time to time and in its discretion seem fit and proper in the interest and for and on behalf and on account of the Company, the following powers and authorities, that is to say the power:
- i) To pay the costs, charges, and expenses preliminary and incidental to production, formation, establishment and registration of the Company; and to have the same charged up on the funds of the Company over such period of years as the Directors shall think fit;
 - ii) To incur all revenue and capital expenditure from time to time as the Director shall think necessary.
 - iii) To pay at their discretion for any property rights or privileges acquired by or service rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up there on as may be agreed up on and any such bonds, debentures, or other securities may be either specifically charged upon all or any of the property of the Company and its uncalled shares, or not so charged.
 - iv) To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or share of all or any of the properties of the Company and its uncalled capital for the time being in such other manner as they think fit.
 - v) To appoint at their discretion, remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services, as they may from time to time, think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security of such amount as they think fit in such instances;
 - vi) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company and also to compound and allow time for payment or satisfaction of any debts due and all or any claims or demands by or against the Company;
 - vii) To refer any claim or demands by or against the Company to arbitration and observe and perform the awards;
 - viii) To make and give receipts, releases and other discharge for money payable to the Company, and for the claims and demands on the Company;
 - ix) To execute all deeds, agreements, contracts and other documents that may be necessary or expedient for the purpose of the Company;
 - x) To undertake on behalf of the Company the payment of all rent and the performance of all covenants, conditions, and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company.
 - xi) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future as they think fit, and any such mortgage may continue power of sale, and such other powers, covenants, and provisions as shall be agreed upon;

- xii) To give any person employed by the Company a commission on the profits, of any particular business or transaction, or a share in the general profits of the Company, and such commission or share of profits, shall be treated as part of the working expenses of the Company;
- xiii) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its Officers and Servants;
- xiv) To invest in the Reserve Bank of India or in other securities and deal with any of the monies of the Company up on such investments authorized by the Memorandum of Association of the Company (not being shares in this Company and in such manner as they think fit, and from time to time vary or release such investments;
- xv) To borrow by issue of bonds, debentures, notes or other securities of the Company or otherwise either secured by a charge or mortgage or otherwise the whole or any part of the property of the Company; or unsecured, as the Directors may deem expedient, such sums as they think necessary for the purpose of the Company;
- xvi) To purchase, take on lease or otherwise acquire, and to sell, mortgage, lease, exchange or otherwise dispose of for the Company, any property, rights or privilege which the company is authorized to Acquire or dispose of at such price, and generally on such terms and conditions as they may think fit, and to sign contract, agreements, conveyances and other documents and to register documents and admit execution thereof,
- xvii) To acquire or erect houses or buildings for the Officers of the Company or for transaction of its business or for the employees of the Company or for the purpose of investment or otherwise and to insure against fire or other risks all or any of the insurable property of Company;
- xviii) To open and establish branches and agencies for the conduct of the Company's business in any part of the world as may be determined by the Directors from time to time;
- xix) To make, draw, endorse, or discount any cheque, promissory notes, Government of India Promissory Notes, or other Government Securities, hundies or other negotiable instruments in the name and for the purpose of the Company;
- xx) To appoint any person or persons (whether incorporated or not to accept and hold in trust for Company any property belonging to the Company or in which it is interested or for any other purposes, and to execute, and do such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustees;
- xxi) To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- xxii) To comply with the requirements of any local law which in their opinion it shall, in the interests of the Company, be necessary or expedient, to comply with;
- xxiii) To pay and satisfy all debts due from them and liabilities of and claims and demands against the Company;
- xxiv) To appoint any person to be the attorney or agent of the Company with such powers (including power to sub-delegate and upon such terms as they deem fit;
- xxv) To take all necessary steps for registering the Company in conformity with the Laws of any Foreign State, and to apply for any accept all statutes, laws or decrees of the Government or authorities there of necessary or expedient for enabling the Company to carry on, business within the jurisdiction of such State;

- xxvi) To make and carry into effect any arrangement for working in business with or affiliating any other person or Company, carrying on any business capable of being conveniently worked in conjunction with the business of the Company upon such terms and conditions that may be determined by the Directors of the Company in working on In liquidation;
- xxvii) To establish, maintain, support to subscribe to any charitable or public or national object and any institution, society or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business, and to give pensions, gratuities or charitable aid to any person or who have served the Company or to the wives, children or dependents or such person or persons, that may appear to the Directors Just or proper, whether any such person, his widow, children or dependents have or have not a legal claim upon the Company, but subject to the provisions of Section 293 of the Act;
- xxviii) To set aside portions of the profit of the Company before recommending any dividend to form a fund to provide for such persons, gratitude or compensations or to maintain or create any Provident Fund for the benefit of the employees of the Company in such or any other manner as the Directors may deem fit;
- xxix) To enter into all such negotiations and contracts and rescind and vary all such contracts, execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise;
- xxx) To enter into any agreement with any Government, State Authority, Municipal, Local or otherwise and obtain from them any rights, concessions or privileges as the Directors deem fit;
- xxxi) To open accounts with any Bank or Banks for and in the name of the Company, and to operate on the same, and to draw cheques on the said Bank accounts The Director or Directors are entitled to determine from time to time the persons being Directors, Officers of the Company, who may sign, or draw such cheques, on the Banking accounts of the Company and sign on the Company's behalf and in its name and for the purposes of the Company Bills, Notes, Receipts, Acceptances, Endorsements, Cheques, Dividend Warrants, Releases, Contracts and other documents and to give the necessary instructions to the Company's Bankers, whether the account be Overdrawn or not.
- b. The Directors shall at their absolute discretion, perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company excepting such acts and things as by the Memorandum of Association of the Company or by these persons may stand prohibited.
- c. Subject to Section 292 of the Act, from time to time and at any time, to delegate to any person so appointed any of the power, authorities and discretions for the time being vested in the Board, other than their power to make calls; or to make loans; or borrow monies; and may annul or vary any such delegation.

APPOINTMENT OF MANAGING/WHOLETIME DIRECTOR

- 133. a) Subject to the provisions of the Act, the Board of Directors may from time to time appoint one or more of their body to the office of Managing Director or whole-time Director for such period and on such terms including remuneration as the Board may think fit and subject to the terms of any agreement entered into with him may revoke such appointment.
- b) The Managing or whole-time Director shall conduct or manage the business of the Company, subject to the control and supervision of the Board of Directors. The Board of Directors may by resolution vest in such Managing or whole-time Director such of the powers hereby vested in the Board of Directors generally as they think fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as they may determine.

- c) In the absence of the Managing Director on leave or otherwise, the Board may empower Chairman or any other Director or any principal officer of the Company to perform all or any of his functions and duties.

SPECIAL POSITION OF MANAGING DIRECTOR

134. A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with these Articles if he ceases to hold the office of Director he shall IP SO FACTO and immediately cease to be Managing Director. ^(Footnote-2)

PROCEEDINGS OF THE BOARD OF DIRECTORS

135. a) The Directors may meet together as Board for the transaction of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year and every Director present at any such meeting of the Board shall sign his name in a book to be kept for that purpose The Directors may adjourn or otherwise regulate their meetings, as they think fit.
- b) The Chairman or the Managing Director may at any time at his discretion summon a meeting of the Board of Directors and the Chairman or the Managing Director on the requisition of two or more Directors shall, at any time, summon a meeting of the Board at such time and place, as he may deem fit.
- c) If there is no Chairman or Managing Director for the time being holding office, the Secretary shall on the requisition of a Director at any time summon a meeting of the Board.
- d) Notwithstanding anything contrary contained in the Articles of Association of the Company, the Directors may participate in the meeting(s) of the Board or any Committee of the Directors through any type of electronic mode like video conferencing etc. and the directors so participating shall be deemed to be present in the meeting for the purpose of the quorum, voting, recording of the minutes and all other relevant provisions in this regard, in pursuant to and subject to compliance with, the applicable rules, regulations, circulars, procedures, guidelines, notifications etc. as may be specified/prescribed/issued by the Ministry of Corporate affairs (MCA), Securities and Exchange Board of India (SEBI), Stock Exchanges or any other competent authority from time to time and the provisions of the Companies Act, 1956 or any other law for the time being in force. ^(Footnote-1)

QUORUM

136. Subject to Section 287 of the Act, quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two Directors whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

ADJOURNMENT OF MEETING FOR WANT OF QUORUM

137. If a meeting of the Board of Directors could not be held for want of quorum, then the meeting shall automatically stand adjourned to the same day in the next week at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place, unless the Chairman or Managing Director for the time being holding office decides to hold it earlier.

1. Article 135(d) inserted vide Special Resolution passed in the Extra-ordinary General Meeting held on 09-04-2013
2. Article 134 amended vide Special Resolution passed in the 03rd Annual General Meeting held on 30-09-2014

CHAIRMAN OF DIRECTORS' MEETING

138. The Board may elect a Chairman of its meeting from among the Directors of the Company. The Chairman shall be entitled to take the Chair at every meeting of the Board and conduct the meeting if no such Chairman is nominated, or if at any meeting the Chairman is not present within fifteen minutes after the time for holding the same, the Directors present may choose one of them to be Chairman of the meeting.

QUESTIONS AT BOARD MEETING HOW DECIDED

139. Questions arising at any meeting of the Board shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or casting vote.

POWERS OF BOARD MEETING

140. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles are for the time being vested-in or exercisable by the Board generally.

DIRECTORS MAY APPOINT COMMITTEE

141. a) Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of its powers to Committees of the Board consisting of two or more members of its body as it may think fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes; but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of its appointment but not otherwise, shall have the like force and effect as if done by the Board.
- b) The Board of Directors while constituting the committee shall also name one of the members of the committee as Chairman if such Chairman is not present within 15 minutes after the time appointed for holding the same, the members present may choose one of their members to be Chairman of the meeting.

MEETING OF COMMITTEE, HOW TO BE GOVERNED

142. The meetings and proceedings of any such Committee of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable there to and are not superseded by any regulations made by the Directors under the last proceedings.

RESOLUTION BY CIRCULAR

143. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors (including alternate Directors), or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee, at their usual address in India and has been approved by such of the Directors (including alternate Directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

ACTS OF BOARD OR COMMITTEES VALID NOTWITHSTANDING INFORMAL APPOINTMENT

144. All acts done in any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

MINUTES OF PROCEEDINGS OF MEETINGS OF THE BOARD

145. a) The Company shall cause minutes of all proceedings of every meeting of the Board or Committee of the Board to be kept in accordance with Section 193 of the Act by making within thirty days of the conclusions of every such meeting entries thereof in books kept for the purpose.
- b) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.
- c) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- d) The minutes shall also contain:
- i) the names of the Directors present at the meeting; and
 - ii) in the case of each resolution passed at the meeting, the names of Directors, if any, dissenting from, or not concurring in the resolution.
- e) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.

THE SEAL ITS CUSTODY AND USE

147. The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and every deed or other instrument to which the Seal of the Company is required to be affixed shall be signed by (a) two directors, or (b) one Director and the Secretary, or (c) one Director and such other authorized person, as the Board or a duly constituted Committee thereof may appoint for the purpose; provided nevertheless that certificates of debentures may be signed by one director only or by the Attorney of the Company duly authorized in this behalf and Certificates of shares shall be signed as provided in Article 19(b)

RESERVE FUND

148. The Board of Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve fund to meet contingencies or for equalizing dividends, or for special dividend, or for repairing, improving and maintaining any of the property of the Company, and for amortisation of capital and for such other purposes as the Board of Directors shall in their absolute discretion think conducive to the interests of the Company, and may invest the several sum to set aside upon such investments (other than share of the Company as they may think fit from time to time, deal with and vary such investments, and dispose of all or any part thereof for the benefit of the Company and may divide the reserve funds into such special funds, as they think fit, and employ the reserve funds or any part thereof in the business of the Company and without being bound to keep the same separate from the other assets. The Board of Directors may also carry forward any profits which they may think prudent not to divide, without setting them aside as a reserve.

CAPITALISATION

- 149.a) The Company in General Meeting may resolve that any of the monies, investments or other assets

forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Fund, or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the Share Premium Account be capitalized and distributed among such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled there to as capital and that all or any part of such capitalized fund be applied on behalf of such members in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards uncalled liability on any issued shares or debentures or debenture stock and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of any unissued shares to be issued to members of the Company as fully paid bonus shares.

- b) The Company in General Meeting may resolve that any surplus monies arising from the realization of any capital assets of the Company profits of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as capital.
- c) The Board of Directors may give effect to any resolution under the preceding paragraphs of this Article and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any member upon the footing of the value so fixed or that fractions of less value from Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board of Directors where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

DIVISION OF PROFITS

- 150. The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up on the shares held by them respectively. The declaration of the Board of Directors as to the amount of the profits of the Company shall be conclusive.

THE COMPANY IN GENERAL MEETING MAY DECLARE A DIVIDEND

- 151. The Company in General Meeting may declare dividends to be paid to members according to their respective rights but no dividend shall exceed the amount recommended by the Board.

DIVIDENDS ONLY TO BE PAID OUT OF PROFIT

- 152.a) No dividend shall be declared or paid for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the said provisions and remaining undistributed or out of both:
- b) Provided that, where, owing to inadequacy or absence of profits in any year, the Company proposes to declare dividend out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf under the Act and where any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval

of the Central Government

- c) Notwithstanding anything contained in clause (a) hereof, no dividend shall be declared or paid by the Company for any financial year out of the profits of the Company for the year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act, except after the transfer to the reserves of the Company of such percentage of its profits for the year, as may be prescribed for the time being by any Rules made under the Act.
- d) Nothing in clause (b) hereof shall be deemed to prohibit the voluntary transfer by the Company of a higher percentage of its profits to the reserves in accordance with the Rules, if any, made by the Central Government in this behalf under the Act.

INTERIM DIVIDEND

153. The Board may, from time to time, pay to the members such interim dividend as in its judgement the position of the Company justifies.

CAPITAL PAID UP IN ADVANCE NOT TO EARN DIVIDEND

154. Where capital is paid in advance of calls, such capital may carry interest, but shall not in respect thereof confer a right to dividend or participate in profits.

DIVIDENDS IN PROPORTION TO AMOUNT PAID UP

155. Where a large amount is paid up or credited as paid up on some shares than on others, the Company shall pay dividends in proportion to the amount paid up or credited as paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

RETENTION OF DIVIDENDS UNTIL COMPLETION OF TRANSFER UNDER ARTICLE 65

156. The Board may retain the dividends payable upon shares in respect of which any person is under Article 65, entitled to become a member or which any person under the Article is entitled to transfer until such person shall become a member in respect of such shares of shall duly transfer the same.

DIVIDEND ETC. TO JOINT - HOLDERS

157. Any one of the several persons who are registered as the Joint-holders of any shares may give effectual receipts for all dividends or bonus payments on account of dividends or bonus or other monies payable in respect of such shares.

DEBTS MAY BE DEDUCTED

158. No member shall be entitled to receive payment of any interest or dividend in respect of his shares, while any money may be due or owing from his to the Company in respect of such share or shares or otherwise, howsoever, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any member all sums of money so due from his to the Company.

TRANSFER OF SHARES MUST BE REGISTERED

159. A transfer of shares shall not pass the rights to any dividend declared there on before the registration of the transfer.

DIVIDENDS HOW REMITTED

160. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant, sent through post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the member or person entitled there in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

DIVIDEND AND CALL TOGETHER

161. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but the call on each members shall not exceed the dividend payable to him and the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the call. The making of a call under this clause shall be deemed ordinary business of general meeting which declares a dividend.

UNCLAIMED DIVIDEND

- 162.a) No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 205 A of the Act in respect of such dividend.
- b) No unclaimed dividend shall bear interest as against the Company.

DIRECTORS TO KEEP TRUE ACCOUNTS

- 164.a) The Company shall keep at its Office or at such other place in India as Board may decide proper books of account, in accordance with Section 209 of the Act, with respect to :-
- i) all sums of monies received and expended by the Company and the matters in respect of which the receipts and expenditure take place.
 - ii) all sales and purchases of goods by the Company, and
 - iii) the assets and liabilities of the Company.
- b) Where the Board decides to keep all or any of the books of account at any place other than the Office of the Company, the Company shall within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.
- c) The Company shall preserve in good order the books of account relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of account.
- d) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns, made up to dates at intervals of not more than three months, are sent by the Company at its Office or at the office or at the other place referred to in clause (b) above.
- e) The books of account shall give a true and fair view of the state of the affairs of the Company or branch

office, as the case maybe, and explain its transactions. The books of account and other books and papers shall be open to inspection by any Directors during business hours.

AS TO INSPECTION OF ACCOUNTS OR BOOKS BY MEMBERS

165. The Board shall from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorized by the Board of Directors or by the Company in General Meeting.

STATEMENT OF ACCOUNTS TO BE FURNISHED TO GENERAL MEETING

166. The Board of Directors shall, from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Annual General Meeting of the Company, such Balance Sheets, Profit and Loss Accounts and Reports as are required by the said Sections and other applicable provisions of the Act.

COPIES SHALL BE SENT TO EACH MEMBER

167. A copy of every such balance Sheet and Profit and Loss Account (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty-one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to the holders of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof), to trustees for the holders of such debentures and to all persons entitled to receive notices of General Meetings of the Company;

Provided however, such accounts and documents as aforesaid, may be sent at a shorter period, less than 21 days with the consent of all members entitled to vote at the meeting.

- 167A. A copy of every such balance Sheet and Profit and Loss Account etc. as aforesaid may be sent to the members of the Company and all other persons entitled, either personally or by electronically or by email or by any other mode, as may be laid down under and subject to the compliance with the applicable provisions of the Companies Act, 1956 for the time being in force and the applicable circulars, guidelines, notifications, procedures etc issued /prescribed by the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), Stock Exchanges or any other competent authority from time to time.
(Footnote – 1)

ACCOUNTS TO BE AUDITED

168. Once at least in every year the accounts of the Company shall be examined and audited and the correctness of the Balance Sheet and Profit and Loss Account ascertained by one or more Auditors.

WINDING UP

184. If the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up equity capital or equity capital deemed to be paid up such assets shall be distributed so that as nearly as may be the losses shall be borne by members in proportion to the equity capital paid up or deemed to be paid-up at the commencement of the winding up, on the shares held by them respectively: and if in winding up, the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the equity capital paid-up at the

1. Article 167(A) inserted vide Special Resolution passed in the Extra-ordinary General Meeting held on 09-04-2013.

commencement of the winding up, the excess shall be distributed amongst the members in proportion to the equity capital paid-up or deemed to be paid-up at the commencement of the winding up, on the shares held by them respectively. Where capital is paid-up on any shares in advance of calls, upon the footing that the same shall carry interest, such capital shall be excluded and shall be repayable in full before any distribution is made on the paid-up capital or capital deemed to be paid-up together with interest at the rate agreed upon. The provisions of this Article shall be subject to any special right or liabilities attached to any special class of shares forming part of the Company.

RIGHT OF DIRECTORS AND OTHERS TO INDEMNITY

- 186.a) Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which any of them or him may incur or become liable to, by reason of any contract entered into or act or deed done by him or in any other way in the discharge of their or his duties.
- b) Subject as aforesaid every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour or in which they or he is acquitted or discharged or in connection with any application under section 633 in which relief is given to, them or him by the Court.

NOT RESPONSIBLE FOR ACTS OF OTHERS

187. Subject to the provisions of Section 201 of the Act, no Director or other Officer shall be liable for the acts, neglects or defaults of any other Director or Officer.

SECURITY

188. Subject to the provisions of these Articles and the Companies Act, 1956, no member shall be entitled to inspect the Company's Books without permission of the Board of Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors, will not be expedient in the interest of the members of the Company to communicate to the public.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Information Memorandum) which are or may be deemed material have been entered or to be entered into by our Company. The material documents and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company on business hours with prior intimation from the date of this Information Memorandum until listing.

DOCUMENTS FOR INSPECTION

Sr. No.	DOCUMENTS
1.	Memorandum and Articles of Association, as amended till date;
2.	Certificate of Incorporation dated January 11, 2012;
3.	Certificate for Commencement of Business dated January 13, 2012;
4.	Sanctioned Scheme of Arrangement and Order of the Hon'ble High Court of Allahabad dated October 29, 2013;
5.	Letters of approval from BSE and NSE dated March 05, 2012 and February 13, 2012 respectively, conveying their 'No Objection' to the Scheme under Clause 24(f) of the Listing Agreement;
6.	Tripartite Agreement with National Securities Depository Ltd., RTA and the Company dated January 8, 2014;
7.	Tripartite Agreement with Central Depository Services (India) Ltd., RTA and the Company dated January 03, 2014;
8.	Copy of ISIN obtained from NSDL and CDSL for the equity shares of the Company;
9.	Report of the Statutory Auditors of our Company on statement of possible tax benefits dated March 07, 2014 as mentioned in this Information Memorandum;
10.	Report of the Statutory Auditors of the Company on standalone accounts dated July 18, 2014 and consolidated accounts dated July 23, 2014 for the financial year ended 31 st March, 2014 as mentioned in this Information Memorandum;
11.	Audited standalone and consolidated financial results dated December 26, 2014 for the six months period ended 30 th September, 2014 by Statutory Auditors of the Company as mentioned in this Information Memorandum;
12.	Copy of the Trust Deed appointing Mr. Mondip Kumar Tamuly, a Independent Professional, as a trustee of Genus Shareholders' Trust incorporated pursuant to the Scheme;
13.	Letters of approval from BSE dated November 21, 2014 and NSE dated December 03, 2014 conveying their in-principal approval for listing of shares of the company;
14.	Letter CFD/DIL/BNS/SD/1070/2015 dated January 08, 2015 of SEBI granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1975 for listing of the shares of the Company.

Note: Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, 1956 /Companies Act, 2013, as amended time to time, and the Guidelines issued by the Government of India or the Regulations, Guidelines, circulars and notifications issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956/Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules or Regulations made there under or guidelines, circulars and notifications issued, as the case may be. We further certify that all the disclosures made in this Information Memorandum are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS OF GENUS PAPER & BOARDS LIMITED

Sd/-
(KAILASH CHANDRA AGARWAL)
Managing Director
(DIN-00895365)

Place: Moradabad
Date: January 23, 2015