August 09, 2019

| | |
|---|---|
| National Stock Exchange of India Ltd.<br>Exchange Plaza, Plot no. C/1, G Block,<br>Bandra-Kurla Complex, Bandra (E),<br>Mumbai - 400 051. | BSE Limited<br>P.J. Towers,<br>Dalal Street, Fort,<br>Mumbai – 400001 |
| (NSE Symbol: GENUSPOWER) | (BSE Code: 530343) |

Dear Sir/Madam,

**Sub: Notice of the 27th Annual General Meeting, the Annual Report for the financial year 2018-19 and E-voting particulars.**

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, please find attached herewith the Notice of 27th Annual General Meeting ("AGM") of the Company scheduled to be held on Friday, September 06, 2019 at 11:00 a.m. at Jaipuria Institute of Management, A-32A, Sector-62, Opp. IBM, Noida-201309 (Uttar Pradesh) along with the Annual Report of the Company for the Financial Year 2018-19.

Pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited ("CDSL").

The remote e-voting period commences on Tuesday, September 03, 2019 (9:00 a.m.) and ends on Thursday, September 05, 2019 (5:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, August 30, 2019, may cast their vote by remote e-voting. The detailed instructions for e-Voting process are given in the Notes forming part of the Notice of the AGM.

We request to kindly take the same on record.

Thanking you,

For **Genus Power Infrastructures Limited**

Genus Power Infrastructures Ltd.

**~~Director~~/Company Secretary**

Encl. as above

**Genus Power Infrastructures Limited**
(A Kailash Group Company)

Corporate Identity Number
L51909UP1992PLC051997

**Corporate Office:**
SPL-3, RIICO Industrial Area, Sitapura, Tonk Road,
Jaipur-302022, (Raj.), India
T. +91-141-7102400/500 • F.+91-141-2770319, 7102503
E. cs@genus.in • W. www.genus.in

**Registered Office:**
G-14, Sector-63, Noida,
Uttar Pradesh-201307 (India)
Telefax +91-120-4227116
E. info@genus.in

# GENUS SMART ENERGY METERING SOLUTIONS

## Making Smart Grids & Smart Cities Possible


# ANNUAL REPORT
## 2018-19

Genus
energizing lives

# MISSION

Enable Utility Providers to Efficiently Serve The Society With World Class Metering Products, Solutions, and Services

# VALUES

TRUST & RESPECT

INTEGRITY

CUSTOMER FOCUS

INCLUSIVE GROWTH

INNOVATION

10,000,000 Energy Meters Annual Production Power

60,000,000 Energy Meters Installed for Our Trusted Customer Base

Govt. Recognized State-of-the-Art R&D Centre

Genus
energizing lives

NABL Accredited Testing Labs & Global Certifications

700,000 sq ft. of Manufacturing Facilities

Most Comprehensive End-to-End Smart Metering Solutions & Services

## IN THIS REPORT

Genus
energizing lives

# JOURNEY SO FAR...

**1992** Company founded for manufacturing Thick Film Hybrid Microcircuits & SMT PCB Assemblies

**1995** First production facility set up in Sitapura, Jaipur

**1996** Started commercial production of unique tamper proof Single & Three Phase Electronic Energy Meters

**1998** **100,000** Meter Installed

**1999** Multi-functional & Multi-tariff Electricity Meters launched

**2000** Rated as 7th turnaround company of India by Business World, India

**2002** Genus R&D Centre recognized by Department of Scientific & Industrial Research, Govt. of India

**2003** **2,500,000** Meter Installed (Till 2003)

**2004** Rated among top 100 electronic companies in India by EFY

**2005** AMR / Pre-payment Meter launched

- Set forth power distribution management projects

**2006** **5,000,000** Meter Installed (Till 2006)

- NABL accreditation in accordance with ISO/IEC 17025:2005 for "Genus Meter Testing Laboratory"

**2006** State of the art manufacturing facility at Haridwar commissioned

**2007** First company in India to obtain DLMS certification for Energy Meters

**2009** First company in India with STS certification for its prepayment meters

**2010** First company in India with SABS certification for its prepayment meters

**2010** **10,000,000** Meter Installed (Till 2010)

**2012** Meter with integrated APFC, Smart Meters launched

**2014** **30,000,000** Meter Installed (Till 2014)

**2016** Successful Deployment of Smart Metering Solution at Shapur (Junagarh) PGVCL – India's First Smart Village Project

- Implemented India's first End to End Smart Metering Solution at Kala Amb (Himachal Pradesh) HPSEB's Smart Grid Pilot Project

**2017** Set up and Commenced production at Guwahati (Assam) plant

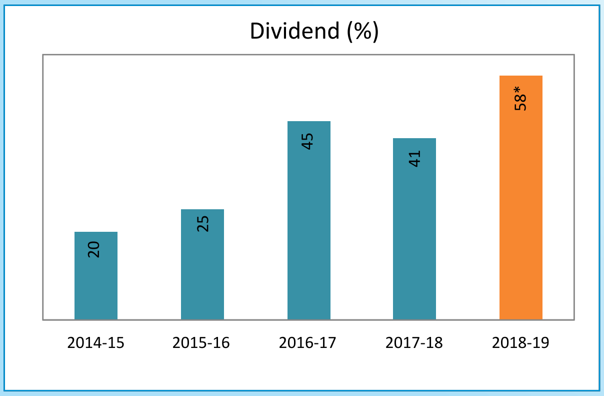
**2018** **50,000,000** Meter Installed (Till 2018)

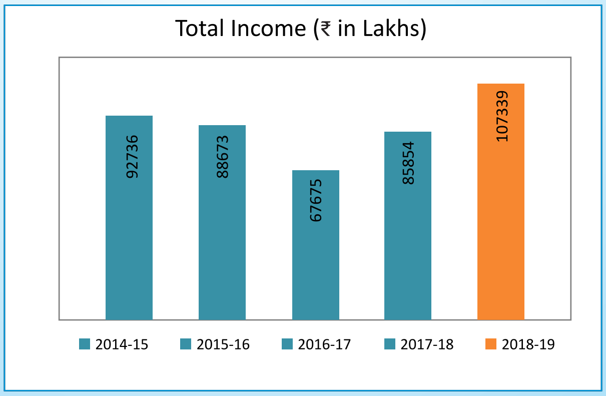
**2018** Smart Meters with 3G Communication capability Launched

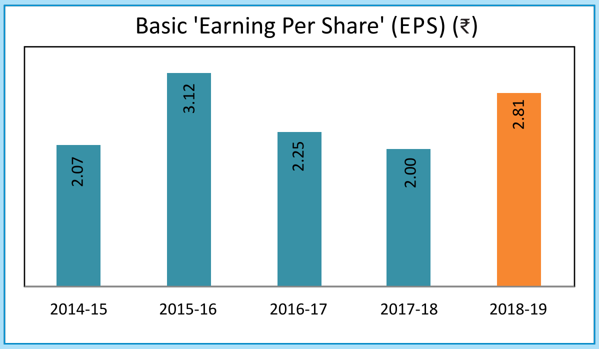
- Setting up of an Advanced Metering Infrastructure (AMI) Lab at Smart Grid Knowledge Centre of Powergrid Corporation at Manesar, Gurgaon
- First Indian company to receive BIS certification for Smart Meters
- NFC based Prepayment Meters Launched

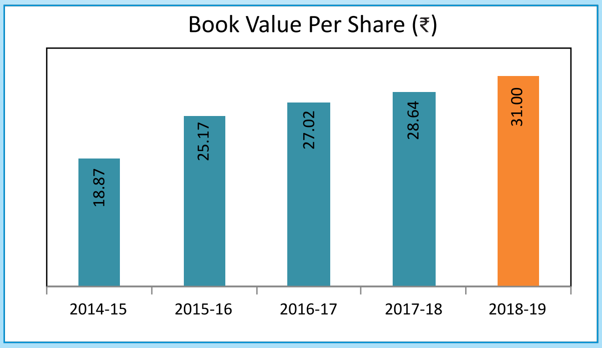
**2019** India's First Narrowband - IOT setup for AMI ( Advance Metering Infrastructure) in strategic partnership with Vodafone Idea

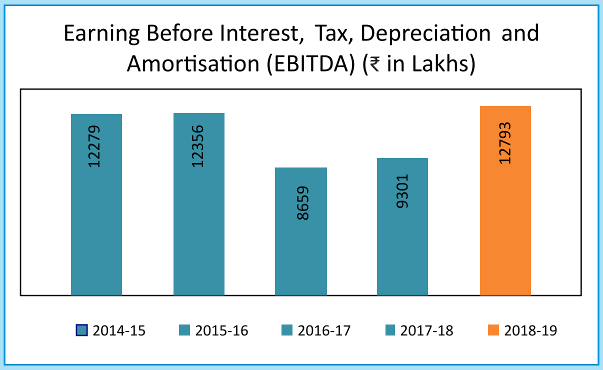
# FINANCIAL HIGHLIGHTS

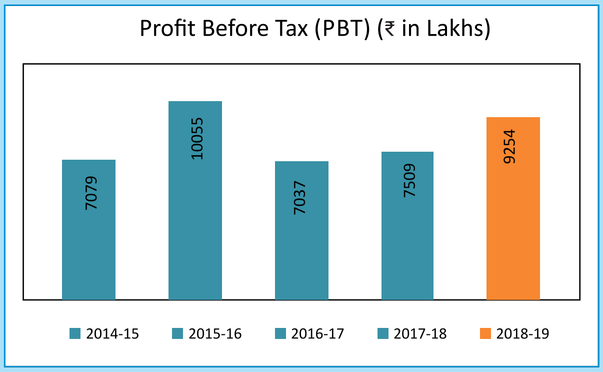


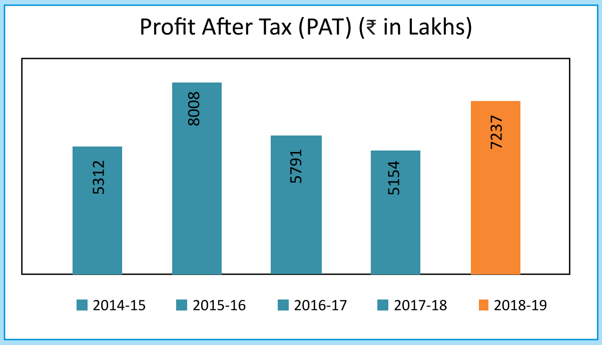



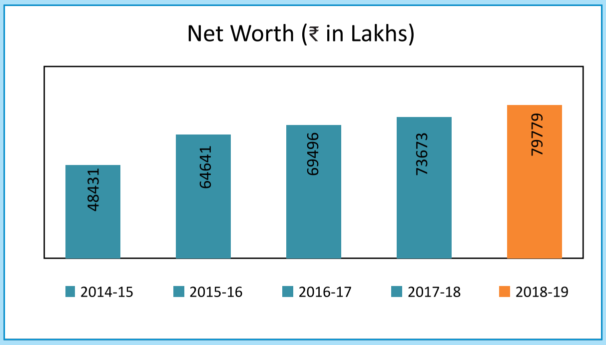




**Note:**

- All Figures (Except for FY 2014-15) are as per Ind AS.
- Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable with the current year's classification/disclosure.
- *Subject of approval of the Shareholders in the ensuing 27th Annual General Meeting

Genus Smart Energy Metering Solutions/Services

Making Smart Grids & Smart Cities possible

Mr. Ishwar Chand Agarwal
Chairman

## Chairman's Statement

Dear Shareholders,

I am extremely delighted to enlighten that Genus has had another excellent year, in which we continued to deliver excellent performance and multi-fold business growth. I am proud to report that we have been consistently delivering superior results and have been one of the outperforming industries across the nation. In FY19, we crossed several milestones in revenue, profitability and production.

### Performance Highlight

FY19 has been an exhilarating year, in which we crossed the coveted landmark of ₹1000 crores in revenue; the Company achieved its highest-ever annual revenue that stood at ₹1055 crores against FY18 net revenue of ₹837 crores, up by 26%. The Earning Before Interest, Tax, Depreciation and Amortization ('EBITDA') (excluding other income) was up by 38% and stood at ₹128 crores with a margin of 12% against FY18 margins of 11%. The Profit After Tax (PAT) was up by 40% at ₹72.37 crores for FY19 against ₹51.54 crores in FY18. Our order book has continuously been growing and stood at ₹1498 crores at the end of FY19. We delivered a 41% increase in basic earnings per share to ₹2.81 per share at face value of ₹1. Our book value per share stood at ₹31. In FY19, Genus also achieved highest-ever annual production and sales of around 7.5 million units of electronic energy meters of different kinds.

### Dividend

Given the Company's performance this year and the Board's confidence in its future prospects, the Board has recommended a dividend of 58% (i.e. ₹0.58 per equity share of face value of ₹1 each) for FY19, in line with the Company's dividend distribution policy. This is subject to approval by the shareholders at the ensuing annual general meeting.

### Operational Excellence

It is remarkable to state that Genus has a long and fruitful history and has made a significant contribution to the modern power sector. Since 1996, Genus has been supplying high-end electronic energy meters to power utilities around the world and enjoying distinctive position in the metering space. Since 2005, Genus has also been undertaking Engineering, Construction & Contracts ('ECC') on turnkey basis for power transmission & distribution sector in India.

Currently, Genus is recognized for supplying smart metering solutions and services for power distribution companies globally and more so in India. Genus smart metering solutions/services come with communication modules, high-end systems, controls and automation software which are designed to address critical issues faced by power distribution companies and thereby eventually improve their financial health, quality of services and commercial sustainability. Genus Prepayment / Smart meters are also gaining momentum as a key solution for reducing AT&C losses of power T&D sector.

Genus smart energy metering solutions and services are making Smart Grids and Smart Cities possible. With decades of experience, domain expertise and unmatched installation base of around 60 million energy meters across the world, Genus has been aggressively participating in Smart Grid pilots / projects, either directly or indirectly as main / OEM supplier of smart metering solutions. As Government of India (GoI) is shifting its priority from pilot to scaling up of smart grid along with focusing on development of smart cities that provide core infrastructure; it is building an opportunity of a clean & sustainable environment and great quality of life for its citizens with application of smart solutions. With such shift, the opportunities for the smart metering solutions/services providers and ECC players like Genus are growing tremendously.

Smart metering is also a key component of various ongoing central government's schemes and programmes such as Ujwal Discom Assurance Yojana (UDAY), Integrated Power Development Scheme (IPDS), Digital India, and smart grid pilots / projects. Further, under Smart Meter National Programme (SMNP), EESL is aiming to replace 250 million conventional electricity meters with smart meters. With all these business opportunities in smart metering space, I can anticipate bright and secured future for Genus.

## Technological Excellence

I believe that innovation is the heart of engineering and major growth engine. It is our in-house R&D Centre (recognized by the Ministry of Science & Technology, Government of India and accredited by National Accreditation Body for Testing Labs 'NABL'), state-of-the-art manufacturing facilities with complete forward & backward integration, advanced designing software and dedicated IS division with advanced IT enabled solutions that go towards making us operationally & technologically advanced and also place us in a unique position in the power industry. Further, with extensive research work taking place in our R&D, dependency on outsourcing for components and sub assemblies is also reducing. Genus is continuously adding latest machines and softwares not only to enhance its existing production capacity, but also to improve technological capabilities, that will allow us to compete and to grow further. We have made excellent progress in building our platforms in future growth drivers; AMI / Smart / Net / Prepaid / Group / High end Meters for Smart Grids & Smart city applications and software applications as a service to support Advanced Metering Infrastructure (AMI).

## New Horizon

Genus provides end-to-end energy solutions to power utilities, wherein software plays a vital role. To address complete functional requirements of AMI (Advanced Metering Infrastructure) and looking to future needs of power utilities, we have ventured into software development for power utilities in a more comprehensive way in line with "Digital India" & "Make in India" initiatives. We have strengthened our specialised application software development in our R&D to serve this purpose. It also aims to make digital resources and services accessible to all electricity consumers using IoT (Internet of Things) interventions and intelligent Apps and self-service portals ecosystem development. The Company has plans to offer its software platform and systems to power utilities as a service (PaaS, SaaS). We see a multi-fold growth potential for software solutions in the AMI / Smart grid deployment space and are determined to tap this opportunity going forward.

## Export

The global Smart Meter / AMI Market is growing at a decent pace mainly due to the rising investments in Smart Grid projects, increasing upgradation of Transmission and Distribution Infrastructure, Government policies, energy conservation and resolve to reduce carbon emission. Genus with its Smart / AMI meters / solution offerings and having established itself strongly in India is definitely eying this opportunity to expand its global presence. Among the global market, Asia-Pacific is estimated to be the fastest growing market for smart meters for next six years. Factors such as government policies & mandates in developed economies and accurate billing & improved customer service are driving the global smart meters market in these countries. By having successfully executed an order of 1,50,000 single phase Smart Meters with plug-in communication this year for a prestigious overseas utility, Singapore Power Assets Limited, Genus is in a better position to be part of the AMI roll-outs of these neighbouring countries.

Another positive development is getting repeat orders and a breakthrough achievement in the form of a Smart Meter supply for some of the Middle East utilities. By having Prepaid Meters in its product portfolio and developing communication capabilities in the Prepaid meters, African utilities continues to be major focus customers for Genus.

Further, in order to make use of local incentives, preferential treatment, reduction in Import duty given to local companies during bidding / procurement in certain countries, Genus is looking at localization strategy seriously and has already made progress in this regard. Overall we are determined to expand our business activities in overseas market.

## Recognitions and Accolades

Here, I take pride in mentioning that in recent past, Genus was awarded the Global Center of Excellence at Jaipur for the successful testing & integration of Genus Smart Electricity Meter Solution in the Living Lab in Jaipur. Genus also received recognition from CESC, a reputed Generation and Distribution Company for "Active Involvement in Development of Smart Meters". Our quality team also won 7 Gold and 3 Silvers in the 32nd National Convention Quality Circle Awards organised by "Quality Circle Forum of India" at Gwalior & Haridwar. Furthermore, Genus has recently set up an Advanced Metering Infrastructure (AMI) lab at Smart Grid Knowledge Centre (A resource centre for providing technical support in all technical matters) of Power Grid Corporation of India Limited. This setting up of an AMI Lab reaffirms Genus's capability of offering AMI solutions to meet the government's ambitious goal of smart grid and smart cities in India. These recognitions and accolades are testimony of the Company's technical capabilities and strong evidence of consistency in quality of its products and services.

## Board Changes

At Board level, as we bid farewell to Mr. Bhairon Singh Solanki, Mr. Indraj Mal Bhutoria, and Mrs. Sharmila Agarwal, Directors of the Company, we welcomed Mrs. Mansi Kothari as an Independent Additional Director. I would like to extend my thanks to all the outgoing Directors for their hard work and insight during their time on the Board. We all wish them well for the future. This has been a busy year for the Board, and I am grateful to all of my Board colleagues for the dedication, insight and expertise they have brought to the Boardroom this year.

## Acknowledgement

As I travelled around Genus offices this year, I have been immensely impressed by the everyday evidence I see of how true we are to our values. On this platform, I would like to say thank you to everyone at Genus who has gone the extra mile this year in service of our customers, suppliers, communities, bankers and shareholders. Last but not the least; I thank all of our stakeholders for their continued support.

Ishwar Chand Agarwal
Chairman
DIN: 00011152
Jaipur, July 25, 2019

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Ishwar Chand Agarwal**
Executive Chairman (Whole-time Director)
**Mr. Kailash Chandra Agarwal**
Vice-Chairman (Non-Executive, Non-Independent)
**Mr. Rajendra Kumar Agarwal**
Managing Director and CEO
**Mr. Jitendra Kumar Agarwal**
Joint Managing Director
**Mrs. Sharmila Agarwal***
Director (Non-Executive, Non-Independent)
*(Ceased to be a Director w.e.f. 13.05.2019)
**Wg. Cdr. (Retd.) Bhairon Singh Solanki***
Director (Independent, Non-Executive)
*(Ceased to be a Director w.e.f. 01.04.2019)
**Mr. Rameshwar Pareek**
Director (Independent, Non-Executive)
**Mr. Indraj Mal Bhutoria***
Director (Independent, Non-Executive)
*(Ceased to be a Director w.e.f. 01.04.2019)
**Mr. Dharam Chand Agarwal**
Director (Independent, Non-Executive)
**Mr. Udit Agarwal**
Director (Independent, Non-Executive)
**Mrs. Mansi Kothari***
Additional Director (Independent, Non-Executive)
*(Appointed w.e.f. 11.05.2019)

## CHIEF FINANCIAL OFFICER

**Mr. Nathu Lal Nama**
(w.e.f. 11.05.2018)

## COMPANY SECRETARY

**Mr. Ankit Jhanjhari**

## STATUTORY AUDITORS

**M/s. S.R. Batliboi & Associates LLP**
Chartered Accountants,
Tablespace, 6th Flolor, Western Aqua Building,
Whitefields, Hitech City, Hyderabad-500081, India

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

## CORPORATE IDENTIFICATION NUMBER

L51909UP1992PLC051997

## REGISTRAR AND SHARE TRANSFER AGENT

**Niche Technologies Private Limited**
3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata-700017
Tel: 033-22806616/6617/6618 Fax: 033-22806619
E-mail: nichetechpl@nichetechpl.com
Website: www.nichetechpl.com

## BANKERS

Bank of Baroda
State Bank of India
IDBI Bank Limited
Axis Bank Limited
Punjab National Bank
YES BANK Limited
Export - Import Bank of India

## REGISTERED OFFICE

G-14, Sector-63,
Noida, Uttar Pradesh - 201307
Tele-fax: +91-120-4227116

## CORPORATE OFFICE

SPL-3, RIICO Industrial Area, Sitapura, Tonk Road,
Jaipur-302022 (Rajasthan)
Tel: +91-141-7102400/500
Fax: +91-141-2770319/7102503

## WEBSITE & EMAIL ID

Website: www.genuspower.com / www.genuspower.com
E-mail (Designated for Shareholders) : cs@genus.in
E-mail (For Others) : info@genus.in

## PLANTS AND R&D CENTRE

- SPL-3 & SPL-2A, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur (Rajasthan) (R&D Centre)
- Plot No. SP-1-2317, Ramchandrapura Industrial Area, Sitapura Extension, Jaipur (Rajasthan)
- Plot No.12, Sector-4, IIE, SIDCUL, Haridwar (Uttarakhand)
- Plot No.9 & 10, Sector-2, SIDCUL, Haridwar (Uttarakhand)
- Plot No.104, Brahmaputra Industrial Park, Amingaon, Village-Sila Sinduri Ghopa, District-Kamrup (R), Assam

# Directors' Report

Dear Shareholders,

The Directors are pleased to present to you the 27th Annual Report of Genus Power Infrastructures Limited (hereinafter referred to as "Genus" or the "Company"), together with the audited standalone and consolidated financial statements for the financial year ended March 31, 2019.

**FINANCIAL RESULTS OF OPERATIONS**

The financial results of operations of the Company for the financial year ended March 31, 2019 are as under:

(₹ in lakhs, except per share data)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Year ended March 31, 2019 | Year ended March 31, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 |
| **Income** | | | | |
| Revenue from operations | 105546.66 | 83655.70 | 105546.66 | 83655.70 |
| Other income | 1791.92 | 2198.72 | 1087.98 | 5503.02 |
| **Total Income** | **107338.58** | **85854.42** | **106634.64** | **89,158.72** |
| **Expenses** | | | | |
| Cost of materials consumed (including erection expenses) | 73671.63 | 58967.82 | 73671.63 | 58967.82 |
| Change in inventory of finished goods and work in progress | (1869.32) | (1471.71) | (1869.32) | (1471.71) |
| Excise duty | - | 150.58 | - | 150.58 |
| Employee benefit expenses | 9815.32 | 8576.58 | 9815.32 | 8576.58 |
| Other expenses | 11135.94 | 8131.11 | 12690.48 | 8131.11 |
| Depreciation and amortization expenses | 1939.86 | 1714.14 | 1939.86 | 1714.14 |
| Finance costs | 3391.29 | 2276.60 | 3391.29 | 2276.62 |
| **Total Expenses** | **98084.72** | **78345.12** | **99639.26** | **78345.14** |
| **Earnings before interest, tax, depreciation and amortization (EBITDA)** | **12793.09** | **9301.32** | **11238.55** | **9301.32** |
| **Profit before exceptional item and tax** | **9253.86** | **7509.30** | **6995.38** | **10813.58** |
| Exceptional item | - | - | - | - |
| **Profit before tax** | **9253.86** | **7509.30** | **6995.38** | **10813.58** |
| Tax expense | 2016.42 | 2354.82 | 2016.42 | 2354.82 |
| **Profit after tax before share of loss from associates for the period** | **7237.44** | **5154.48** | **4978.96** | **8458.76** |
| Share of loss from associate entities | - | - | (180.38) | (6.68) |
| **Net profit for the period after share of loss from associate entities** | **7237.44** | **5154.48** | **4798.58** | **8452.08** |
| Other comprehensive income (net of tax) | 73.90 | 247.70 | 73.90 | 247.70 |
| **Total comprehensive income** | **7311.34** | **5402.18** | **4872.48** | **8699.78** |
| Paid-up equity share capital (Face value ₹ 1 per share) | 2573.59 | 2572.29 | 2573.59 | 2572.29 |
| Earnings per share (before and after extraordinary item) (of ₹ 1 each) (not annualized) (amount in ₹) | | | | |
| - Basic earnings per share | 2.81 | 2.00 | 2.09 | 3.68 |
| - Diluted earnings per share | 2.81 | 2.00 | 2.09 | 3.68 |

The financial statements for the year ended March 31, 2019, have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, read with Section 133 of Companies Act, 2013, (the "Act") and other relevant provisions of the Act. There are no material departures from the prescribed norms stipulated by the Accounting Standards in preparation of the annual accounts. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

**REVIEW OF STANDALONE FINANCIAL PERFORMANCE AND THE STATE OF COMPANY'S AFFAIRS**

- FY19 revenue has been highest annual sales. In FY19, revenue from operation was increased by 26% to ₹105546.66 lakhs from ₹83655.70 lakhs in FY18. The growth was mainly on account of sales of high-end products and better execution of orders throughout the year.

- Earnings before interest, tax, depreciation and amortization ('EBITDA') (excluding other income) increased by 37.54% to ₹12793.09 lakhs in FY19 from ₹9301.32 lakhs in FY18 on account of lower raw material cost, higher sales, better absorption of fixed cost and effective utilisation of resources. This improved EBITDA margin also, which stood at 12.12% in FY19 against 11.14%% in FY18.
- Other income decreased to ₹1791.92 lakhs in FY19 from ₹2198.72 lakhs in FY18. This was mainly on account of foreign exchange losses and lower income on investments, loans & deposits.
- Finance cost increased to ₹3391.29 lakhs in FY19 from ₹2276.60 lakhs in FY18 due to higher utilisation of credit limits (bank borrowings) to execute higher orders and increase in interest rates & other bank charges. The borrowings increased to ₹27608.40 lakhs in FY 19 from ₹23964.52 lakhs in FY18 on account of increased utilisation of loans to execute higher amount of orders. The Company continued to rely on short-term debt to meet its working capital requirements. The long-term debt was used largely to support the capital expenditure incurred towards expansion.
- Other expenses increased to ₹11135.94 lakhs in FY19 from ₹8131.11 lakhs in FY18. This was mainly on account of increase in fixed, variable, semi- variable and other cost due to increase in volume.
- Profit after tax (PAT) increased by 40% to ₹7237.44 lakhs in FY19 from ₹5154.48 lakhs in FY18 mainly due to higher EBITDA.
- Earnings per share (EPS) (Basic & Diluted) for FY19 stood at ₹2.81 per share.
- Net worth increased to ₹79778.94 lakhs in the FY19 from ₹73672.97 lakhs in FY18 due to increase in retained earnings.
- In FY19, the Company has written-off the liquidated damages and bad debts of ₹2424.09 lakhs, which were mainly arisen due to liquidated damages and deductions by indenting agencies as per the terms of the contract of supplies.
- The Company's liquidity is supported by 275.44 lakhs equity shares of the Company (treasury shares) and 475.44 lakhs equity shares of Genus Paper & Boards Limited ('GPBL'), arisen as a result of the scheme of arrangement amongst the Company, Genus Paper Products Limited and Genus Paper & Boards Limited as approved by the Hon'ble Allahabad High Court in FY14. It carried a market value of ₹11450.87 lakhs and book value of ₹5995.08 lakhs as on March 31, 2019. However, the decline in market value of equity shares of GPBL in FY19 impacted the PAT at consolidated level as per the applicable Ind AS.

**KEY FINANCIAL RATIOS**

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Debtors Turnover | 2.19 | 1.93 |
| Inventory Turnover | 5.25 | 5.36 |
| Interest Coverage Ratio | 4.30 | 5.05 |
| Current Ratio | 1.95 | 1.84 |
| Debt Equity Ratio | 0.33 | 0.32 |
| Operating Profit / (EBITDA) Margin (%) | 12.12 | 11.14 |
| Net Profit Margin (%) | 6.86 | 6.17 |

In FY19, there is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios.

Return on net worth increased to 9% in FY19 from 7% in FY18, due to increase in net profit margin.

**OPERATIONS AND BUSINESS PERFORMANCE**

The operational and business performances of the Company have been appropriately described in the report on management discussion and analysis, which forms part of this report.

**CHANGE IN THE NATURE OF BUSINESS**

In FY19, there was no change in the nature of business of the Company.

**ORDER BOOK POSITION**

The total order book stood at ₹1498.13 crores as at the end of March 31, 2019.

Electrification push by Government of India and its determination to reduce AT&C losses of power discoms, most State Electricity Boards have swiftly increased their tenders over the last 2 years, and we have seen a healthy demand for various types of meters. We grabbed opportunities on regular interval to preserve our solid order book.

**DIVIDEND**

Pursuant to the dividend distribution policy of the Company, the board in its meeting held on July 25, 2019 has recommended a dividend of ₹ 0.58 per equity share on equity shares of the face value of ₹ 1 each (i.e. 58% of face value of equity share) for the FY19 amounting to ₹1492.68 lakhs in addition to ₹ 306.84 lakhs by way of dividend distribution tax, to shareholders for their approval at the ensuing annual general meeting. The dividend distribution policy, as approved by the board, is attached as 'Annexure-A' to this report and is also available on the website of the Company at "https://genuspower.com/investor-category/corporate-governance/".

**SHARE CAPITAL**

The paid up equity share capital of the Company increased to ₹2573.59 lakhs consisting of 257358965 equity shares of ₹1 each from ₹2572.29 lakhs consisting of 257229331 equity shares of ₹1 each, due to issue of shares upon exercise of employee stock options during the FY19. During the year under review, the Company issued and allotted 129634 equity shares of face value of ₹1 each upon exercise of stock options under the Employees' Stock Option Scheme 2012 (ESOS 2012) of the Company.

The Company has neither issued shares with differential voting rights, nor issued sweat equity shares.

**TRANSFER TO RESERVES**

The board has not proposed to transfer any amount to the any reserve out of the amount available for appropriation.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of loans, guarantees and investments covered under section 186 of the Companies Act, 2013, along with the purpose for which such loan or guarantee was proposed to be utilized by the recipient, are provided in notes 4, 5, 6, 34 and 48 to the standalone financial statements, forming part of this report.

The Company envisions becoming the leaders in all the area of operations. Your Company is holding certain strategic investments generally long term in nature and the board may evaluate further opportunities in this regard with a view to enhance value for the stakeholders of the Company.

**DEPOSITS**

In FY19, the Company has not accepted any deposits within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. As such, no amount of deposit or interest thereon is outstanding.

**EMPLOYEES' STOCK OPTION SCHEME**

In FY19, the Nomination and Remuneration Committee in its meeting held on January 23, 2019 has approved the grant of 2416065 stock options to the eligible employees of the Company under the Employees' Stock Option Scheme 2012 (ESOS 2012) ('ESOP Scheme') of the Company at an exercise price of ₹30.30/- per share. The said exercise prices was the latest available closing price, prior to the date of the meeting of the Committee, in which options were granted, on the stock exchange having higher trading volume. The options would vest over a maximum period of six years or such other period as may be decided by the Committee from the date of grant based on specified criteria. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options. The Options can be exercised during a period of three years from the date of vesting. The applicable disclosures as stipulated under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 with regard to ESOP Scheme of the Company are provided in 'Annexure-B' to this report.

In FY19, 129634 options were exercised by the employees after vesting. Accordingly, the Company has made allotments of 105853 equity shares on April 03, 2018 and 23781 equity shares on January 22, 2019 against the options exercised by the employees.

In FY19, there has been no change in the ESOP Scheme of the Company. The ESOP Scheme is administered by the nomination and remuneration committee and it is implemented in accordance with the applicable SEBI's Regulations/Guidelines.

Voting rights on the shares issued to employees under the ESOP Scheme are either exercised by them directly or through their appointed proxy.

The Company has received a certificate from the statutory auditors of the Company that the ESOP Scheme has been implemented in accordance with the SEBI's Guidelines/Regulations in this regard and the resolution passed by the shareholders. The certificate shall be placed at the ensuing annual general meeting for inspection by the shareholders.

**MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT**

In terms of Section 134(3)(l) of the Act, except as disclosed elsewhere in this Report, no material changes and commitments, affecting the financial position of the Company, have occurred between the end of the financial year and the date of this Report.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

In FY19, no company has become or ceased to be a subsidiary, joint venture or associate company. As on March 31, 2019, the Company has no subsidiary company in terms of the provisions of the Act. As on March 31, 2019, the Company has the following associate companies:

- M.K.J. Manufacturing Pvt. Ltd.
- Greentech Mega Food Park Limited

In terms of the provisions of Section 129(3) of the Act, a statement containing performance & salient features of the financial statements of Company's subsidiaries/associate/joint venture companies in the prescribed Form AOC-1 is attached as 'Annexure-C' to this report.

The policy for determining material subsidiaries as approved by the board may be accessed on the Company's website and its web link is "https://genuspower.com/investor-category/corporate-governance/".

**CONSOLIDATED FINANCIAL STATEMENT**

Pursuant to the applicable provisions of the Act, the Accounting Standard on Consolidated Financial Statements and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the "Listing Regulations'), the audited consolidated financial statement is provided in this Annual Report. The consolidated revenue stood at ₹105546.66 lakhs and the consolidated net profit stood at ₹4798.58 lakhs in FY19.

A statement containing the salient feature of the financial statements of each of the subsidiary/associates/joint venture in the prescribed Form AOC-1 is attached as 'Annexure-C' to this report.

In compliance with the provisions of Section 136 of the Act, the financial statements of the subsidiary/associates/joint venture companies are kept for inspection by the shareholders at the registered office of the Company. The Company shall provide free of cost, the copy of the financial statements of its subsidiary/associates/joint venture companies to the shareholders upon their request. The statements are also available on the website of the Company.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions in the FY19 were in the ordinary course of business and on an arm's length basis. All these transactions were approved by the audit committee. There were no materially significant related party transactions that may have potential conflict with the interests of Company at large. There are no transactions that are required to be reported in form AOC-2. For further details of the related party transactions, please refer to Note 46 to the standalone financial statement, which sets out related party disclosures.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the board can be accessed on the Company's website and its web link is "https://genuspower.com/investor-category/corporate govemance/".

**CORPORATE SOCIAL RESPONSIBILITY**

The Company's CSR policy, prepared by the CSR committee and approved by the board, is in line with Schedule VII of the Act. The CSR committee approves activities to be undertaken by the Company towards CSR, and also monitors implementation of CSR projects & activities undertaken by the Company. The Company's officials also carefully monitor the projects implementation through frequent site visits, meeting officials and checking records.

In FY19, there were number of projects and programs undertaken by the Company as part of CSR initiatives. The focus areas of the Company's CSR programs/initiatives were animal welfare, promotion of healthcare, eradication of hunger & poverty, environmental sustainability and ecological balance and promotion of education.

The CSR policy of the Company is available on the Company's website at "https://genuspower.com/investor-category/corporate-governance/". The statutory disclosures with respect to the CSR committee and an annual report on CSR activities form part of this report as 'Annexure-D'.

**RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL SYSTEMS**

The Company has in place a comprehensive risk management policy and adequate internal financial control system, formulated by the risk management committee and reviewed by the board of the Company. The risk management policy contains elements of risk, which in the opinion of the board may threaten the existence of the Company. The Company has defined procedures to inform members of board of directors about risk assessment and minimization procedures. The details of the risk management committee, risk management policy and internal financial control systems are provided in the report on 'management discussion and analysis' and the 'corporate governance report', forming part of this report.

**INSURANCE**

The Company has insured its assets and projects sufficiently to cover most risks. Some of the key insurance policies, taken by the Company are as follows:

- 'Consequential Loss (Fire) Policy' to insure the profit affected during the interruption/cessation of the business operations due to exigency.
- Group Gratuity Insurance Scheme, under which a sum equal to gratuity payable in respect of the entire service (actual and future) is paid in the event of premature/unfortunate death of employee.
- Group Mediclaim Policy for its permanent employees covering their spouse and dependent children.
- 'Personal Accident Policy (Group)' for insuring its employees and giving coverage like disability cover, permanent disability cover and death cover due to accident.

**CREDIT RATING**

In FY19, India Ratings and Research (Ind-Ra) has upgraded Genus's Long-Term Issuer Rating to 'IND A+'. The Outlook is Stable. The instrument-wise rating actions are as follows:-

| Instrument Type | Size of Issue (million) | Rating/Outlook | Rating Action |
|---|---|---|---|
| Fund-based Limits | INR 2,100<br>(increased from INR 2,000) | IND A+/Stable/IND A1 | Affirmed |
| Non-fund-based Limits | INR 8,250<br>(increased from INR 6,370) | IND A+/Stable/IND A1 | Affirmed |
| Commercial Paper<br>(within the fund-based working capital limits) | INR 1,000 | IND A1 | Affirmed |

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34(2) of the Listing Regulations, management discussion and analysis report for the year under review is annexed to this report as 'Annexure-E'.

**CODE OF CONDUCT**

Pursuant to Regulation 26(3) of the Listing Regulations, all board members and senior management personnel have affirmed compliance with the 'Company's code of conduct for directors and senior management' on an annual basis. The code of conduct is also placed on Company's website, www.genuspower.com.

**CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements as set out by SEBI. The corporate governance report along with a certificate of the statutory auditors of the Company regarding compliance of the conditions of corporate governance as stipulated under the Listing Regulations is attached as 'Annexure-F' to this report.

**WHISTLEBLOWER POLICY AND VIGILANCE MECHANISM**

The Company has in place a whistleblower policy and vigil mechanism as required under Section 177(9) of the Act. The Company has established a vigil mechanism for directors and employees to report genuine concern of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The audit committee reviews the existence and effectiveness of the vigil mechanism from time to time. The above policy and mechanism have been appropriately communicated across all sections within the Company. The whistleblower policy and vigil mechanism have also been displayed on the Company's internal HR management system as well as on the Company's website and its web link is "https://genuspower.com/investor-category/corporate-governance/". The audit committee affirmed that no personnel have been denied access to the audit committee in FY19.

**PREVENTION OF INSIDER TRADING PRACTICES**

The Company has in place a 'Code of Conduct for regulating, monitoring and reporting of trading by designated persons and their immediate relatives', 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information' in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. The above codes prevent insiders from procuring, communicating, providing or allowing access to unpublished price sensitive information except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The above codes also prohibit the insider to trade in securities, when in possession of unpublished price sensitive information and during the period when the trading window is closed. However, an insider is entitled to formulate a trading plan for dealing in securities of the Company in line with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended and submit the same to the compliance officer for approval and public disclosure.

**ANNUAL RETURN**

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in the prescribed form i.e., Form MGT-9 is annexed herewith as Annexure-G which forms part of this Report. As required under Section 134 (3) (a) of the Act, the Annual return is put on the Company's website and can be accessed at "https://genuspower.com/investor-category/corporate-governance/".

**DIRECTORS**

In FY19, there was no change (appointment or cessation) in the board members.

Wg. Cdr. (Retd.) Bhairon Singh Solanki and Mr. Indraj Mal Bhutoria, independent directors have resigned with effect from April 01, 2019 from directorship of the Company due to health issues (illness) with growing age (92 years) and due to preoccupation, respectively. Mrs. Sharmila Agarwal has also resigned with effect from May 13, 2019 from directorship of the Company due to preoccupation. They confirmed that there is no other material reason other than those provided.

Mrs. Mansi Kothari was appointed as an additional director of the Company in the capacity of independent woman director with effect from May 11, 2019 to hold office till the conclusion of the next annual general meeting and subject to the approval of the members in the ensuing general meeting, for appointment as an independent woman director to hold office for a term upto five consecutive years. Mr. Rameshwar Pareek, Mr. Dharam Chand Agarwal and Mr. Udit Agarwal were reappointed as independent directors of the Company for a second term of five consecutive years with effect from April 01, 2019 up to March 31, 2024, pursuant to provisions of Section 149 of the Act, Regulations of Listing Regulations and approval of the shareholders in the 26th annual general meeting of the Company held on September 21, 2018. Pursuant to the circular dated June 20, 2018, issued by the stock exchanges and the declaration received from the directors, they being appointed as independent director are not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and therefore, they are not disqualified to be appointed/reappointed as an independent director. Further, they are not related to any director of the Company.

In compliance with the provisions of the Act and the Articles of Association of the Company, Mr. Ishwar Chand Agarwal and Mr. Jitendra Kumar Agarwal, directors of the Company, retire by rotation at the ensuing annual general meeting, and they being eligible, have offered themselves for re-appointment.

A brief resume along with other details of the directors proposed to be appointed or reappointed, are furnished in the Annexure to the Notice of the ensuing annual general meeting.

Pursuant to the provisions of Section 134(3)(d) of the Act, with respect to statement on declaration given by independent directors under Section 149(6) of the Act, the board hereby confirms that all the independent directors of the Company have given declaration that they meet the criteria of independence as provided in Section 149(6) of the Act.

**Familiarization programmes**

Pursuant to Regulation 25(7) of the Listing Regulations, the Company organises familiarization programmes for independent directors to provide them an opportunity to have a clear understanding of their roles, rights and responsibilities. This also makes possible for independent directors to understand the Company's business model, operational systems, nature of the industry and other relevant information thoroughly. The details of familiarization programs have been disclosed on the website of the Company and the web link thereto is "https://genuspower.com/investor-category/corporate-governance/".

**Policy on directors' appointment and remuneration and other details**

In compliance with the provisions of Section 134(3)(e) and Section 178(3) of the Act, the policy on selection of directors and determining directors independence (criteria for board membership) and the policy on remuneration of director, key managerial personnel and senior management personnel are available on the website of the Company at "https://genuspower.com/investor-category/corporate-governance/". The salient features of the policies are attached as 'Annexure-H & I' respectively. For further details relating to directors, please refer to the corporate governance report, which forms part of this report.

**BOARD EVALUATION**

In FY19, the board has carried out an annual evaluation of its performance as well as performance of its committees and individual directors, including chairperson, and managing directors. The performance evaluation of board was done by all the directors. The performance evolution of the chairperson was linked to both the functioning of the board as a whole as well as the performance of each director. Independent directors reviewed the performance of the chairperson of the Company taking into account the views of the executive directors and non-executive directors. All the directors of the board of the Company thereof contributed in evaluating the performance of the chairperson of the board. The performance evaluation of managing directors and executive directors of the Company was done by all the directors (excluding the director being evaluated). The performance evaluation of independent directors was done by the entire board of directors (excluding the director being evaluated). The performance of the committees was evaluated by the board on the basis of the terms of reference of the committee, being evaluated.

The evaluation was carried out through a structured questionnaire prepared by the nomination and remuneration committee (NRC) separately for the board, committees, chairperson, managing director and individual directors. The questionnaire and evaluation process were reviewed in the context of amendments to the Listing Regulations and the Act.

The broad parameters for reviewing the performance of the board, inter alia, included development of suitable strategies and business plans at appropriate time and its effectiveness; implementation of robust policies and procedures; size, structure and expertise of the board; oversight of the financial reporting process, including internal controls; willingness to spend time and effort to learn about the Company and its business; and awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.

The broad parameters for reviewing the performance of managing director/executive director, inter alia, included achievement of financial/business targets prescribed by the board; developing and managing / executing business plans, operational plans, risk management, and financial affairs of the organization; display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the company's prosperity and operations; development of policies, and strategic plans aligned with the vision and mission of company and which harmoniously balance the needs of shareholders, clients, employees, and other stakeholders; establishment of an effective organization structure to ensure that there is management focus on key functions necessary for the organization to align with its mission; and managing relationships with the board, management team, regulators, bankers, industry representatives and other stakeholders.

The broad parameters for reviewing the performance of non-executive directors, inter alia, included participation at the board / committee meetings; commitment (including guidance provided to senior management outside of board/ committee meetings); effective deployment of knowledge and expertise; effective management of relationship with stakeholders; integrity and maintaining of confidentiality; independence of behaviour and judgment; and impact & influence.

In addition to the parameters laid down for directors, which is common for evaluation to both independent and non-executive directors, an independent director was also evaluated on the parameters such as exercise of objective independent judgment in the best interest of Company; ability to contribute to and monitor corporate governance practice; and adherence to the code of conduct for independent directors.

The broad parameters of reviewing the performance of the committees, inter alia, included discharge of its functions and duties as per its terms of reference; process and procedures followed for discharging its functions; effectiveness of suggestions and recommendations received; size, structure and expertise of the committee; and conduct of its meetings and procedures followed in this regard.

The broad parameters for reviewing the performance of chairperson of the board, inter alia, included managing relationship with the members of the board and management; demonstration of leadership qualities; relationship and communication within the board; providing ease of raising of issues and concerns by the board members; promoting constructive debate and effective decision making at the board; relationship and effectiveness of communication with the shareholders and other stakeholders; promoting shareholder confidence in the board and personal attributes i.e. integrity, honesty, knowledge, etc.

The independent directors, at their separate meeting (without the presence of non-independent directors and the members of management), reviewed & assessed inter-alia, the performance of non-independent directors and board as a whole and the performance of the chairperson of the Company after taking into consideration the views of executive and non-executive board members. The independent directors at their separate meeting also assessed the quality, quantity and timeliness of flow of information between the Company's management and the board that was necessary for the board to effectively and reasonably perform their duties.

The NRC has also carried out evaluation of performance of every director. The performance evaluation of all the independent directors has been done by the entire board, excluding the director being evaluated. The board showed satisfaction on the evaluation process carried out.

**KEY MANAGERIAL PERSONNEL**

In FY19, Mr. Nathu Lal Nama, Chartered Accountant, has been appointed as Chief Financial Officer of the Company with effect from May 11, 2018.

In terms of the provisions of Section 2(51) and 203 of the Act, the following personnel are key managerial personnel (KMP) of the Company:

- Mr. Rajendra Kumar Agarwal, Managing Director & Chief Executive Officer
- Mr. Jitendra Kumar Agarwal, Joint Managing Director
- Mr. Nathu Lal Nama, Chief Financial Officer (w.e.f. 11.05.2018)
- Mr. Ankit Jhanjhari, Company Secretary

**MEETINGS OF THE BOARD**

In FY19, ten meetings of the board were held. For further details thereof, kindly refer to the corporate governance report, which forms part of this report.

**COMMITTEES OF THE BOARD**

The Company has the following committees of the board:

(a) Audit Committee

(b) Nomination and Remuneration Committee

(c) Stakeholders' Relationship Committee

(d) Risk Management Committee

(e) Corporate Social Responsibility Committee

(f) Finance Committee

(g) Sales Committee

The details of the compositions, powers, roles, terms of reference, etc. of the said committees are provided in the corporate governance report, which forms part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Act, the directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;

(b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;

(c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they had prepared the annual accounts on a 'going concern' basis;

(e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**AUDITORS AND AUDITORS' REPORT**

**Statutory Auditors**

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) were appointed as joint statutory auditors of the Company at the annual general meeting held on September 29, 2014 for the first term of 5 consecutive years i.e. to hold office upto the AGM for the financial year 2018-19. M/s. D. Khanna & Associates, Chartered Accountants were appointed as statutory auditors of the Company at the annual general meeting held on September 29, 2014 for the second term of 5 consecutive years i.e. to hold office upto the AGM for the financial year 2018-19. Pursuant to provision of Section 139 of the Act, M/s. D. Khanna & Associates can not be reappointed for another term as they have already completed their two terms of 5 consecutive years. M/s. Kapoor Patni & Associates, Chartered Accountants, Jaipur, (Firm Registration No. 019927C) are proposed to be appointed as joint statutory auditors of the Company together with M/s S. R. Batliboi & Associates LLP.

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) and M/s. Kapoor Patni & Associates, Chartered Accountants, (Firm Registration No. 019927C), have signified their assent and confirmed their eligibility to be appointed/reappointed as Auditors in terms of the provisions of Section 141 of the Act and Rule 4 of the Companies (Audit and Auditors) Rules, 2014. They have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India and hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board on the recommendations of the Audit Committee has approved to place the proposal of Appointment/Re-appointment of statutory auditors as follows:

(a) M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), as the joint statutory auditors for the second term of five consecutive years from the conclusion of ensuing annual general meeting till the conclusion of the 32nd annual general meeting of the Company to be held in 2024 subject to the approval of the shareholders.

(b) M/s. Kapoor Patni & Associates, Chartered Accountants, (Firm Registration No. 019927C), as the joint statutory auditors for a term of five years from the conclusion of ensuing annual general meeting till the conclusion of the 32nd annual general meeting of the Company to be held in 2024 subject to the approval of the shareholders.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the statutory auditors in their audit report for FY19 that may call for any explanation from the directors. Further, the notes to the financial statements referred to in the auditor's report are self-explanatory.

**Cost Auditors and Cost Audit Report**

Pursuant to the provisions of Section 148(1) of the Act read with rules framed thereunder, the Company is required to maintain the cost records as specified and accordingly such accounts and records are made and maintained by the Company.

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014. as amended the board, based on the recommendation of the Audit Committee, has appointed M/s. K. G. Goyal & Associates, Cost Accountants, as Cost Auditor of the Company for conducting the Cost Audit for the financial year ended on March 31, 2020, on a remuneration as mentioned in the Notice of 27th annual general meeting. A certificate from M/s. K. G. Goyal & Associates, Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder. A resolution seeking shareholder's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 27th annual general meeting and the same is recommended for your consideration and ratification.

The cost audit report for the FY18, issued by M/s. K. G. Goyal & Associates, Cost Auditors, was filed with the ministry of corporate affairs (MCA) on October 20, 2018 within the stipulated due date.

**Secretarial Auditor and Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the secretarial audit for the FY19 has been carried out by M/s. C. M. Bindal & Co., Company Secretaries. The secretarial audit report submitted by them in the prescribed form (i.e. MR-3) is attached as 'Annexure-J' and forms part of this report. There are no qualifications or observations or adverse remarks or disclaimer of the secretarial auditors in the report issued by them for the FY19, which call for any explanation from the board.

**Secretarial Compliance Report**

In compliance of Regulation 24A of the Listing Requirements read with SEBI Circular No. CIR/CFD/CMD/27/2019 dated February 08, 2019, the annual secretarial compliance report issued by the practicing company secretary for the financial year ended on March 31, 2019 is attached as 'Annexure-K'.

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

Pursuant to the provisions of Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of conservation of energy, technology absorption, foreign exchange earnings and outgo are attached as 'Annexure-L' to this report and forms part of this report.

## PARTICULARS OF EMPLOYEES AND OTHER RELATED DISCLOSURES

The disclosure as required under the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of first proviso to Section 136(1) of the Act, the annual report excluding the aforesaid information is being sent to the shareholders and others entitled thereto. The said information is available for inspection by the shareholders at the registered office of the Company during business hours on working days of the Company up to the date of ensuing annual general meeting. Any shareholder interested in obtaining a copy thereof, may also write to the company secretary of the Company.

## BUSINESS RESPONSIBILITY REPORT

Pursuant to the Listing Regulations read with SEBI Notification dated December 22, 2015, the business responsibility report describing the initiatives taken by the Company from environmental, social and governance perspective is attached as 'Annexure-M' to this Report and is also available on the Company's website www.genuspower.com.

## CEO AND CFO CERTIFICATION

A certificate from Mr. Rajendra Kumar Agarwal, MD & CEO and Mr. Nathu Lal Nama, Chief Financial Officer, pursuant to Regulation 17(8) of the Listing Regulations for FY19 was placed before the Board of Directors of the Company at its meeting held on May 11, 2019. A copy of the same is attached as 'Annexure-N' to this Report.

## OTHER DISCLOSURES

Directors state that in FY19,

(a) the Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which shall impact the going concern status and Company's operations in future.

(b) the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has an internal committee (which includes a woman member) to monitor the behavior of all employees and to redress complaints, if any. Further, the Company has not received any complaint regarding sexual harassment in terms of the provisions of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'. The Company has already in place a defined policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy covers all employees with no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, social origin, sexual harassment or age.

(c) neither the managing directors nor the whole-time directors of the Company receive any remuneration or commission from any of its subsidiary/associate/joint venture.

(d) the statutory auditors or cost auditors or secretarial auditors of the Company have not reported any frauds to the audit committee or to the board under the provisions of Section 143(12) of the Act, including rules made thereunder.

(e) the Company maintained healthy, cordial and harmonious industrial relations at all levels.

(f) the Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## ACKNOWLEDGEMENTS

The board wishes to places on record its gratitude for the faith reposed in the Company by the shareholders, SEBI, BSE, NSE, depositories, the Government of India, the State Governments, Tax Authorities, RBI, MCA, Ministry of Power, Ministry of Finance, State Electricity Boards, and Power Utilities. The board also wishes to place on record its sincere appreciation of the faith reposed in the Company by all investors, vendors, dealers and business associates. The board takes this opportunity to thank the employees for their exemplary dedication and excellence displayed in conducting operations of the Company.

For and on behalf of the Board of Directors

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, July 25, 2019

**'Annexure-A' to the Directors' Report**

# Dividend Distribution Policy

## (I) PREFACE

The Board of Directors (the "Board") of Genus Power Infrastructures Limited (hereinafter referred to as "Genus" or the "Company") has adopted this Dividend Distribution Policy (the "Policy") as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend. In common parlance, "dividend" means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them.

## (II) OBJECTIVE

The aim of this policy is to help the investors in taking well informed investment decisions and to get a clearer picture on returns from the investments made by them in the Company.

## (III) SCOPE

The dividend distribution policy shall include the following parameters:

- the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- the financial parameters that shall be considered while declaring dividend;
- internal and external factors that shall be considered for declaration of dividend;
- policy as to how the retained earnings shall be utilized; and
- parameters that shall be adopted with regard to various classes of shares:

When the Company proposes to declare dividend on the basis of parameters other than those mentioned above or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

## (IV) DIVIDEND DISTRIBUTION POLICY

Dividends on equity shares are declared at the Annual General Meeting of the shareholders based on the recommendation by the Board. The Board may also declare interim dividends, subject to the applicable laws. The Company specifies dividends in term of a dividend rate, which is percentage of the paid up capital per share or dividends in term of INR per share.

The Company may consider distribution of dividend up to 25 percent of profit after tax (PAT) (including dividend distribution tax) of the Company.

The Board of Directors shall review the dividend distribution policy periodically.

**Circumstances under which their shareholders can or cannot expect dividend:**

No dividend shall be declared or paid by the Company 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 sub-sections (1) and (2) of section 123 of the Companies Act, 2013 (the "Act"), or out of the profits of the Company for any previous financial year or years arrived at after providing for previous year's losses if any and all depreciation and remaining undistributed, or out of both.

Where, owing to inadequacy or absence of profits in any financial year, the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf. The following are some major conditions of the Companies (Declaration and Payment of Dividend) Rules, 2014 (Rule 3) regarding declaration of dividend out of surplus in the absence of adequacy or absence of profits in any year:

(a) The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year.

(b) The total amount to be drawn from such accumulated profits shall not exceed 1/10th of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.

(c) The amount so drawn shall first be utilised to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.

(d) The balance of reserves after such withdrawal shall not fall below 15% of its paid up share capital as appearing in the latest audited financial statement.

No dividend shall be declared or paid by the Company from its reserves other than free reserves.

The Board of Directors of the Company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared. In case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the Company during the immediately preceding three financial years.

No dividend shall be paid by the Company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash. The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

If the Company fails to comply with the provisions of sections 73 and 74 of the Act, it shall not, so long as such failure continues, declare any dividend on its equity shares.

**Financial parameters, Internal and external factors that will be considered while declaring dividends:**

The following parameters/factors may be considered by the Board before declarations or making any recommendations for the dividend include, but are not limited to,

- capital expenditure for the current year;
- future capital expenditure plans;
- profits earned during the financial year;
- past year earnings;
- expected future earnings;
- debt position
- cost of raising funds from alternate sources;
- cash position of the company;
- cash flow position;
- applicable taxes including tax on dividend;
- pattern of past dividends;
- dividend yield;
- external trends in dividend payment and PAT; and
- industry-wise dividend pattern.

**Policy as to how the retained earnings will be utilized:**

Retained earnings are defined as all the profits that an organization has earned since it came into existence, minus dividends paid to shareholders and taxes paid to Government.

The Company can reinvest retained earnings back into the business to fund additional growth of the business in such areas as working capital, capital expenditures, acquisitions, research and development, and marketing network. Retained earnings can be used to acquire assets to generate income for the Company. Retained earnings can also be used to pay outstanding debts, loans and other liabilities. Retained earnings can also be used for all legitimate purposes as per the prevailing laws.

**Parameters that shall be adopted with regard to various classes of shares:**

The Company has issued only one class of shares, i.e. equity share of face value of ₹ 1 each, which is listed on BSE and NSE.

For and on behalf of the Board of Directors

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, July 25, 2019

**'Annexure-B' to the Directors' Report**

# Disclosure with regard to Stock Options

[Pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]

**(A) Summary of status of ESOP Scheme:**

The position of the existing scheme as on March 31, 2019 is summarized as under:

| Sr. No. | Particulars | Employee Stock Option Scheme 2012 ("ESOS 2012") |
|---|---|---|
| 1 | Date of shareholders' approval | December 29, 2012 |
| 2 | Total number of options approved under the scheme | 7945000 |
| 3 | Vesting requirements | Options granted under ESOS 2012 would vest within not less than one year and not more than six years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and thus the options would vest on passage of time. In addition to this, the Nomination and Remuneration Committee (Formerly Compensation Committee) may also specify certain performance parameters subject to which the options would vest. |
| 4 | Exercise price or pricing formula | The exercise price as may be determined by the Nomination and Remuneration Committee (Formerly Compensation Committee) and such price may be up to maximum of 50% discount to the Market Price of the Equity Shares as on date of grant. |
| 5 | Maximum term of options granted | 9 years from the date of grant |
| 6 | Source of shares | Primary |
| 7 | Variation in terms of options | No variation |

**(B) Option movement during the year**

| | | |
|---|---|---|
| 1 | Total number of options granted | |
| | Till March 31, 2018 | 2840300 |
| 2 | Options granted during the year | |
| | April 01, 2018 - March 31, 2019 | 2416065 |
| | Weighted average exercise price | 30.30 |
| 3 | Options outstanding at the beginning of the year | |
| | For the year 2018-19 | 320844 |
| | Weighted average exercise price | 19.37 |
| 4 | Number of options vested during the year | |
| | For the year 2018-19 | 171033 |
| | Weighted average exercise price | 12.59 |
| 5 | Number of options vested and exercisable | |
| | As on March 31, 2019 | 171033 |
| | Weighted average exercise price | 12.59 |
| 6 | Number of options exercised during the year | |
| | April 01, 2018 - March 31, 2019 | 129634 |
| | Weighted Average Exercise Price | 8.49 |

| | | |
|---|---|---|
| 7 | Total number of shares arising during the year as a result of exercise of options | |
| | April 01, 2018 - March 31, 2019 | 129634 |
| 8 | Number of options lapsed during the year | |
| | April 01, 2018 - March 31, 2019 | 2034 |
| | Weighted average exercise price | 27.10 |
| 9 | Number of options cancelled during the year | |
| | April 01, 2018 - March 31, 2019 | 34022 |
| | Weighted average exercise price | 27.10 |
| 10 | Money realised by exercise of options during the year | |
| | April 01, 2018 - March 31, 2019 | 1100924 |
| 11 | Total number of options in force | |
| | As on March 31, 2019 | 2571219 |
| | Weighted average exercise price | 30.08 |
| 12 | Loan repaid by the trust during the year from the exercise price received | NA |

**(C) Employee-wise details of options granted during the financial year 2018-19 to:**

**(i) Senior managerial personnel:**

| **Name** | **No. of options granted** |
|---|---|
| None | Nil |

**(ii) Employees who were granted during any one year options amounting to 5% or more of the options granted during the year:**

| **Name** | **No. of options granted** |
|---|---|
| None | Nil |

**(iii) Identified employees who were granted option during any one year equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:**

| **Name** | **No. of options granted** |
|---|---|
| None | Nil |

**(D) Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Ind AS 33:** ₹2.81 per share.

**(E) For stock options exercised during the period the weighted average share price on the date of exercise (₹) (1st April 2018 - 31st March 2019):** ₹48.40

**(F) For stock options outstanding at the end of the period the range of exercise prices and weighted average remaining contractual life (Vesting period + exercise period)**

| **Range of Exercise Price (₹)** | **As on March 31, 2019** |
|---|---|
| Number of Options Outstanding | 2571219 |
| Weighted Average contractual life | 6.62 |
| Weighted Average exercise price | 30.08 |

**(G) (i) Weighted average exercise price of Options granted during the year whose:**

| | | |
|---|---|---|
| (a) | Exercise price equals market price | 30.30 |
| (b) | Exercise price is greater than market price | NIL |
| (c) | Exercise price is less than market price | NIL |

**(II) Weighted average fair value of Options granted during the year whose:**

| | | |
|---|---|---|
| (a) | Exercise price equals market price | 15.46 |
| (b) | Exercise price is greater than market price | NIL |
| (c) | Exercise price is less than market price | NIL |

**(H) Method and Assumptions used to estimate the fair value of options granted during the year:**

The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:

| Range of Exercise Price (₹) | Weighted Average Assumptions |
|---|---|
| Stock price (₹) | 30.30 |
| Time to maturity (In years) | 5.51 |
| Volatility (%) | 53.61% |
| Risk free rate (%) | 7.37% |
| Exercise price (₹) | 30.30 |
| Dividend yield (%) | 1.35% |

For and on behalf of the Board of Directors

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, July 25, 2019

'Annexure-C' to the Directors' Report

# Form 'AOC-1'

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries:** Not Applicable

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| Name of Associates / Joint Ventures | | | M.K.J. Manufacturing Pvt. Ltd. | Greentech Mega Food Park Limited |
|---|---|---|---|---|
| 1 | Latest audited balance sheet date | | March 31, 2019 | March 31, 2019 |
| 2 | Date on which the associate or joint venture was associated or acquired | | October 31, 2007 | April 18, 2017 |
| 3 | Shares of associate/joint ventures held by the company on the year-end | | | |
| | (i) | Number (Equity Shares) | 49335 | 9900000 |
| | (ii) | Amount of investment in associates/joint ventures (₹ in lakhs) | 600.00 | 990.00 |
| | (iii) | Extend of holding % | 50.00 | 24.75 |
| 4 | Description of how there is significant influence | | Associate | Associate |
| 5 | Reason why the associate/joint venture is not consolidated | | Not Applicable | Not Applicable |
| 6 | Networth attributable to shareholding as per latest audited balance sheet (Share of Company) (₹ in lakhs) | | 80.92 | 798.54 |
| 7 | Profit / (Loss) for the year (Share of Company) (₹ in lakhs) | | (4.07) | (176.16) |
| | (i) | Considered in consolidation (₹ in lakhs) | (4.07) | (176.16) |
| | (ii) | Not considered in consolidation (₹ in lakhs) | - | - |

**Note:** Pursuant to the scheme of amalgamation approved by the Hon'ble Allahabad High Court in FY14, the cross shareholding held by the Company and Genus Paper Products Limited were consequently transferred to Genus Shareholders' Trust ("GST") for the benefit of the Company and its shareholders. The GST is administered by an independent trustee. The Company has no any influence on GST. GST is not an associate company or joint venture pursuant to the provisions of the Companies Act, 2013. Since, the Company is sole beneficiary of the GST's property, therefore considered for consolidation of accounts as per the applicable accounting standard.

**Additional Information:**

| | | |
|---|---|---|
| 1 | Names of associates or joint ventures which are yet to commence operations | None |
| 2 | Names of associates or joint ventures which have been liquidated or sold during the year | None |

For and on behalf of the Board of Directors of Genus Power Infrastructures Limited

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, May 11, 2019

**Rajendra Kumar Agarwal**
Managing Director & CEO
DIN: 00011127

**Nathu Lal Nama**
Chief Financial Officer

**Ankit Jhanjhari**
Company Secretary

**'Annexure-D' to the Directors' Report**

# Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to Rules 8 & 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

**(1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

**Genus's CSR Policy:**

Following the idea of "SERVING SOCIETY THROUGH INDUSTRY" since inception, Genus Power Infrastructures Limited (hereafter referred to as "Genus" or "Company" in this document) is committed towards people and society at large for bringing positive changes to the lives of mankind. Genus understands its moral, social and business responsibility to protect, preserve & nurture human values and also to promote socio-economic welfare. Genus certainly believes in sharing the profits not only with its members but also with the society around it. Genus always gives preference to the local areas where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

**Genus CSR vision entails -**

- To promote employability through technical education for vulnerable sections of society by pulsating partnerships with the government, NGO's, Trusts and other organizations.
- To eradicate hunger and poverty by providing equipments/ systems to poor and unemployed people to make them self-employed and thereby bring them into the mainstream of the society.
- To promote environmental sustainability and ecological balance by supporting the mission of green initiative through proactively involvement in tree plantation.
- To promote healthcare by providing financial and manpower assistance to various healthcare programs and institutions.
- To promote animal welfare by providing financial assistance for construction and maintenance of Gaushala for gau-sewa, specially taking care of injured and medically challenged cows, bulls & calves.

Taking the above vision, the Company has formulated its corporate social responsibility policy (CSR policy), which describes the activities to be undertaken by the Company in line with the activities specified in Schedule VII of the Companies Act, 2013. The Board has also approved the Company's CSR policy.

**The objectives of this policy are to –**

- active involvement in the social and economic development of the society, in which we operate.
- share profits with the society around us through responsible business practices and good governance.
- bring positive changes to the lives of mankind.

**Focus Areas:**

- Animal welfare
- Promoting education
- Promoting healthcare
- Protection of national heritage, art and culture
- Rural development projects
- Eradicating hunger and poverty
- Environmental sustainability and ecological balance

**Web-Link to the CSR Policy:** "https://genuspower.com/investor-category/corporate-governance/"

**CSR projects/programs undertaken in FY19:**

**Education**

Genus firmly believes that India needs skill-oriented education to boost employability. Technical and skill-oriented education expands opportunities for students to acquire relevant skills needed for work and entrepreneurship. Taking above, Genus continued to take a number of initiatives, not only to impart basic education to the needy children but also to provide the technical and skill-oriented education to youth and deprived classes of the society. Genus, through 'Phoosraj Todi Technical Training Institute', Churu, Rajasthan' provided technical education to needy youth and other deprived classes of the society in order to develop skilled, dynamic and market-ready talent for the world at large and not just for domestic needs. Genus also contributed for the initiatives of Ram Bajaj Foundation to promote education under the scheme namely 'Shiksha Ki Unchi Udaan' as a weeklong student development program in Churu, Rajasthan. This noble initiative is taken up with a view to empower students by imbibing the qualities of decision making, self-confidence and good communication skills in smaller districts and cities of Rajasthan. Beside this, Genus contributed for promotion of the education scheme namely 'Vidya Kit' of Gaurannga Institute for Vedic Education, (GIVE), Jaipur. Under this scheme, 4000 Vidya Kits distributed free to needy parents, youth and students in Kurukshetra and Gurugram. Genus also contributed for starting/running of Ekal Vidyalaya of Friends of Tribals Society, Jaipur. Under this programme, in addition to provide education, Ekal education caters spreading awareness on health and hygiene, empowerment, rural skills, organic farming and ethical and moral values in tribal and other deprived children of rural Area. Genus also contributed for the school and colleges fees of poor and needy students in local area.

For detailed information on above, please visit "https://genuspower.com/about-us/csr/".

**Healthcare**

Genus believes Nature is the greatest healer. The human body itself has the healing power to prevent itself from disease and regain health if unhealthy. In Nature cure the suppressed diseases are brought to surface and are removed permanently. Naturopathy treats all the aspects like physical, mental, social and spiritual at the same time. With a view to support the drugless disciplines of alternative system of medicine, Genus contributed for the naturopathy medical services provided by the 'Baldev Agarwal Naturopathy Center, Moradabad' to every class of people at subsidized rates. This center has the facility of all naturopathy and panchakarma treatments like hydro therapy, mud therapy, sun therapy, physiotherapy, yoga, pranayama & other panchakarma treatment. Genus also contributed for providing subsidised treatment by Prakartik Chikitsalaya, Jaipur to needy people as to serve the people with drugless therapies like yoga, physiotherapy, acupuncture, diet, hydrotherapy, etc. Genus also contributed to support the 'Human Milk Bank' of Rajasthan Medicare Relief Society, Jaipur. Beside this, Genus provided a bus to Patanjali Yogpeeth Trust, Haridwar, Uttarakhand, which shall be used for free transportation of patient/needy peoples from rural and tribal areas for medical treatment and/or education.

For detailed information on above, please visit:
"https://genuspower.com/about-us/csr/".

**Animal Welfare**

Genus CSR initiatives focus on animal welfare especially on cow. In India, cow is treated as the highest and most pious animal and is given the utmost importance. However, once a cow stops giving milk, it become difficult to feed them by a poor former and often, it is immediately sold to butchers. Hence, we heartily support to feed old and unproductive cows. Since inception, Genus has been contributing a portion of its income to 'Rajaldesar Gaushala', Rajaldesar (Rajasthan), which involved in the activities for the protection of cows, including maintenance of gaushalas, organising cattle camps and veterinary service camps and arranging drinking water for cattle. Genus has also contributed for the cow welfare activities of 'Shri Janki Mahal Trust' and 'Hanumanprasad Poddar Smarak Samiti'.

For detailed information on above, please visit:
"https://genuspower.com/about-us/csr/".

**Heritage**

Genus is aware of the importance of our national heritage, art and culture. Genus CSR policy encourages preservation of our national heritage, art & culture, restoration of buildings & sites of historical importance and works of art including setting up of public libraries and promotion & development of traditional arts & handicrafts. Having this policy, Genus contributed for restoration and renovation of Cultural Community Hall in the ISKCON Glory of Rajasthan Cultural Centre, Jaipur.

For detailed information on above, please visit:
"https://genuspower.com/about-us/csr/".

**Rural Development Project**

To achieve inclusive growth in India, it is imperative to improve the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated areas. For this reason, Genus promoted a rural development project under its CSR initiatives. Genus contributed for development of an International Standard Rural Development Project under the name of 'Vrindavan Village' of ISKCON.

For detailed information on above, please visit:
"https://genuspower.com/about-us/csr/".

**(2) Composition of the CSR committee:**

The composition of the CSR Committee of the Company is as follows:

| Name of the Member | Position | Category |
|---|---|---|
| Mr. Ishwar Chand Agarwal | Chairman | Executive Chairman |
| Mr. Rajendra Kumar Agarwal | Member | Managing Director & CEO |
| Mr. Jitendra Kumar Agarwal | Member | Joint Managing Director |
| Mr. Dharam Chand Agarwal | Member | Independent, Non Executive Director |

**(3) Average net profit of the company for last three financial years** : ₹ 7642.19 lakhs

**(4) Prescribed CSR expenditure (Two percent of the amount as in item 3 above)** : ₹ 152.84 lakhs

**(5) Details of CSR spend for the financial year:**

a) Total amount spent for the financial year : ₹142.99 lakhs

b) Amount unspent if any : ₹ 9.85 lakhs

c) Manner in which the amount spent during the financial year:

| S. No. | CSR project or Activity identified | Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended) | Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken | Amount Outlay (Budget) Project or Program wise (₹ in Lakhs) | Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in Lakhs) | Cumulative Expenditure upto the reporting period i.e. FY 2018-19 (₹ in Lakhs) | Amount Spent: Direct or through Implementing Agency |
|---|---|---|---|---|---|---|---|
| 1 | Contributed to support the 'Human Milk Bank'. | Clause No.1: Eradicating hunger and poverty and malnutrition, promoting health care including preventive health care | (1) Local area (2) Jaipur, Rajasthan | 1.00 | 1.00 | 1.00 | Rajasthan Medicare Relief Society, Jaipur |
| | Contributed to Naturopathy hospital to deliver naturopathy medical services to every class of people at subsidized rates. | | (1) Other (2) Moradabad, U P | 5.00 | 5.00 | 5.00 | Direct |
| | Distribution of free healthy food to promote preventive health care | | (1) Local area (2) Jaipur, Rajasthan | 0.15 | 0.15 | 0.15 | Rajasthan Yuva Chatra Sanstha, Yuva Sanskrati, Jaipur |
| | Provided a Bus for free transportation of patient/needy peoples from rural and tribal areas for medical treatment/ education | | (1) Other (2) Haridwar, Uttarakhand | 16.66 | 16.66 | 16.66 | Patanjali Yogpeeth Trust, Haridwar, Uttarakhand |
| | Contributed to provide subsidised treatment to needy people as to serve the people with drugless therapies like yoga, physiotherapy, acupuncture, diet, hydrotherapy, etc | | (1) Local area (2) Jaipur, Rajasthan | 17.50 | 17.50 | 17.50 | Prakartik Chikitsalaya, Jaipur |
| | | | (1) Other (2) Lucknow, U P | 2.00 | 2.00 | 2.00 | Vedic Seva Sansthan |
| | | | (1) Other (2) Rajasthan | 0.50 | 0.50 | 0.50 | Rajasthan Shala Swasteya Yog |
| 2 | Payment of school and college fees of poor and needy students in local area. | Clause No.2: Promoting education | (1) Local area (2) Jaipur, Rajasthan | 1.91 | 1.91 | 1.91 | Direct |
| | Contributed for technical and skill-oriented education to youth and deprived classes of the society. | | (1) Other (2) Churu, Rajasthan | 7.00 | 7.00 | 7.00 | Phoosraj Todi Technical Training Institute, Rajaldeasr, Churu, Rajasthan |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Promoted 'Shiksha Ki Unchi Udaan' a weeklong Student Development Program in Churu, Rajasthan | | (1) Other (2) Churu, Rajasthan | 50.00 | 50.00 | 50.00 | Ram Bajaj Foundation, Rajasthan |
| | Promoted a scheme 'Vidya Kit', under which 4000 Vidya Kits distributed free to parents, youth and students | | (1) Other (2) Kurushetra, Gurugram, Haryana | 1.25 | 1.25 | 1.25 | Gaurannga Institute for Vedic Education, (GIVE) |
| | Contributed to Friends of Tribals Society for starting/running of Ekal Vidyalaya | | (1) Local area (2) Jaipur, Rajasthan | 5.00 | 5.00 | 5.00 | Friends of Tribals Society, Jaipur |
| 3 | Cow protection & animal welfare activities / programs | Clause No.4: Animal welfare | (1) Other (2) Rajaldesar Dist. Churu, Rajasthan | 13.67 | 13.67 | 13.67 | Shree Rajaldesar Gaushala, Rajaldesar, Churu, Rajasthan |
| | | | (1) Other (2) Ayodha, Uttar Pradesh | 5.35 | 5.35 | 5.35 | Shri Janki Mahal Trust, Ayodhya, Uttar Pradesh |
| | | | (1) Other (2) Gorakhpur, Uttar Pradesh | 1.00 | 1.00 | 1.00 | Hanumanprasad Poddar Smarak Samiti, Gorakhpur, Uttar Pradesh |
| 4 | Restored and renovated the Cultural Community Hall in the ISKCON Glory of Rajasthan Cultural Centre. | Clause No.5: Protection of national heritage, art and culture | (1) Local area (2) Jaipur, Rajasthan | 10.00 | 10.00 | 10.00 | International society for Krishna Consciousness, Jaipur, Rajasthan |
| 5 | Promoted an International Standard Rural Development Project under the name of 'Vrindavan Village'. | Clause No. 10: Rural Development Project | (1) Local area (2) Jaipur, Rajasthan | 5.00 | 5.00 | 5.00 | International society for Krishna Consciousness, Jaipur, Rajasthan |

**(6) In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

The Company is endeavored to ensure full utilization of the allocated CSR budget. In FY19, the Company's spending on the CSR activities was slightly less than the limits prescribed under Companies Act, 2013 due to non-finding of suitable projects/partners/NGO/Trusts, which fulfill the requirements of the Company's CSR policy, in true sense. The amount, which remained unspent, added to the CSR budget for the FY20 and committed to spend the entire amount on CSR activities within the ambit of statutory requirements.

**(7) Responsibility Statement**

The responsibility statement of the CSR committee of the board is reproduced below:

"The implementation and monitoring of corporate social responsibility policy, is in compliance with CSR objectives and policy of the Company."

**Ishwar Chand Agarwal**
Chairman, CSR Committee
DIN: 00011152
Jaipur, July 25, 2019

**Rajendra Kumar Agarwal**
Managing Director & CEO
DIN: 00011127

**'Annexure-E' to the Directors' Report**

# Management Discussion and Analysis

## ECONOMIC OVERVIEW

FY19 has been a challenging Year. The Year has been interrupted by swelling global trade disputes and incidents of financial stress and volatility, amid an undercurrent of geopolitical tensions. In 2018, global economic growth remained steady at 3.1 per cent. Growth rates have risen in many developed economies. Amongst the developing economies, the East and South Asia regions remained on a relatively strong growth trajectory, amid robust domestic demand situations. Despite an improvement in growth prospects, several large developing economies saw a decline in per capita income. Economic activity in the commodity-exporting countries is gradually improving, at the same time growth remains susceptible to volatile commodity prices.

While the global growth is expected to remain at around 3.0 per cent in 2019 and 2020, the global economy is facing a confluence of risks such as escalation of trade disputes, an abrupt tightening of global financial conditions, increase of climate risks and high volatility in commodity prices. Public and private debt at global level is continually rising. Furthermore, the environmentally sustainable production and consumption are not gearing up at pace required. These risks could severely disrupt economic activity and cause significant damage on longer-term development scenario. Immediate and concrete policy action is required to decrease risks to the global economy, and secure the foundations for steady and sustainable economic growth.

In FY19, Indian economy started its journey with a healthy growth on the back of domestic resilience supported by robust government spending and easier monetary policy. Growth eased from second quarter onward due to increased global volatility, escalated global trade disputes, global investment rerouting, domestic political factors and weak public finances. Further, the Indian rupee suffered owing to the crude price shock and faster investment outflows. Despite softer growth, the Indian economy remains one of the fastest growing and possibly the one, least affected by global trade turmoil. In fact, the country has absorbed all external shocks on the back of strong macroeconomic fundamentals, policy changes and reform initiatives like insolvency and bankruptcy, bank recapitalization and foreign direct investment, among many others.

However, India's economy needs a boost via major economic reforms. The re-elected government is expected to implement a host of major economic reforms along with their ongoing economic policy with focus on infrastructure & rural development. With key economic policies on track, the re-elected government is expected to focus on faster policy implementation in the years ahead. Government push is needed to encourage muted private investors to participate, thereby fostering private sector expenditure and boosting investments.

## INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES AND THREATS

### POWER TRANSMISSION & DISTRIBUTION (T&D) SECTOR

As power is one of the most essential components of infrastructure and also vital for the economic growth & welfare of nations, the existence of adequate & advanced power transmission and distribution (T&D) infrastructure is imperative for uninterrupted supply of high quality electricity. T&D infrastructure is not only required to meet the evacuation needs but also to support the open access requirements (creating surplus capacities) of the power generators. Further, expansion in industries and infrastructure like railways, airports, oil & gas, driven largely by government investments in this space, only add on to the growing demand for T&D network across the country. Moreover, for incessant supply of power in the smart city, it is very crucial to have powerful and smart T&D systems. However, the current T&D system seems to be inadequate to meet the increasing power demand to the upcoming smart cities. From energy point of view, a smart city should be able to optimise the electricity consumption of the city through recording of real-time data pertaining to different residential, commercial and industrial spaces. A smart city needs to be equipped with smart grids which facilitate collection and transferring of electricity related data without any interruption and dependency. A person living in a smart city essentially should have total control over electricity consumption and ultimately should be able to optimise the expenses incurred on the electricity bills. This not only would help in curtailing the uncontrolled electricity consumption but also ease the enormous pressure on electricity boards. The dream of converting existing cities into smart cities can not be a reality without having a smart T&D system.

While power T&D sector in India has evolved in terms of capacity and technology adoption, the existing T&D network is still inadequate to meet the increasing demand and load patterns. In addition, T&D losses are plaguing the sector since very long time. These losses can only be reduced by strengthening and upgrading the T&D infrastructure combined with proper tracking and auditing of power distribution at all levels of power supply value chain. This requires huge investments in the T&D sector mainly in renovation, modernisation, restructuring, and up-gradation of the sub-transmission and distribution infrastructure.

The Government of India (GoI) has initiated and implemented various policy measures providing support to the power T&D sector. To boost access to reliable and continuous power supply, GoI is continually encouraging investments at the transmission and distribution level through several schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS), National Electricity Fund (NEF), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), Ujwal Discom Assurance Yojana (UDAY) and National Smart Grid Mission (NSGM) among many others. The schemes aim inter alia to provide power for every village and thus provide power to everyone. With this support, Indian Grid, one of the largest grids in the world, is progressively moving towards digitalization and shaping up at par with national grids of developed countries. With so much technology implementation and expansion, the Indian grid is ready for the big leap in the coming years.

Further, it has now become imperative that the States adopt a successful central model for building the network and reap the benefits of private participation. With this, the States can focus their energies on distribution reform and last-mile connectivity, and at the same time, possibly bring down the electricity tariff for the end-consumer.

## SMART ENERGY METERING

Smart Energy Meter is an intelligent digital device, which is evolved to resolve the issues of power distribution sector. It is the next generation meter with inbuilt two-way communication technology to communicate from energy supplier to end-consumer on a real-time basis. Smart meters facilitate real-time pricing, pre-payment feature, automated recording of the electricity consumption, demand side management, outage management, abolition of manual reading errors, reduction in billing cost and instant fault detection, among other things. Smart meters also benefit the whole society enabling reduced carbon emissions resulting in positive environmental impacts.

Worldwide, power distribution sector is in bad shape financially, mainly due to deployment of technology & metering system that do not align with the core needs of the utility. Every power utility faces the extreme challenge of maintaining profitability and sustainability while improving electrification rates and providing access to energy for all citizens. In India also, T&D sector is struggling with huge Aggregate Technical and Commercial (AT&C) losses. In additions to this, measurement and accounting systems of the power T&D system are not good enough, even to capture the actual losses. It is recognised that the readings must be date and time-stamped so that actual energy input and output could be captured and analyzed. Smart metering solutions could resolve these issues and improve the entire distribution operations.

Furthermore, in current scenario of 21st century, the utility are focusing on delivering great customer service to earn higher level of customer satisfaction. For power utility, it is vital to acquire a quality and robust technology product. Low cost low-quality products present a significant challenge for technicians and engineers in the field and also increase customer complaints and dissatisfaction. The energy meter is the cash register and the only revenue collection point for the utility but is often overlooked with shifting focus toward price reduction. Here, it is important that consistent and accurate revenue collection is essential for infrastructures growth and electricity distribution projects of the future.

To meet with energy needs alongwith enhancing energy production, the nation desires to cut AT&C losses to below 12% by 2022, and below 10% by 2027 (source: http://www.indiasmartgrid.org). The government is taking all efforts and doing a lot of investments as well, for improving the power distribution network/system in India. The ongoing policies and reforms programs such as 'Deen Dayal Upadhyaya Gram Jyoti Yojana', 'Make in India' 'Digital India', UDAY, IPDS, National Smart Grid Mission, Power Tariff Policy, Saubhagya and Smart Cities are continuously accelerating the adoption of smart metering solutions in India. The Bureau of Indian Standard (BIS) and Ministry of Power (MoP) are ensuring that quality products are procured by the electricity boards and have consequently fixed mandatory quality ratings and standards for equipments, to be used in distribution infrastructure. Energy Efficiency Services Limited (EESL), (the energy services company under the Union Ministry of Power), is implementing a Smart Meter National Programme (SMNP) to ultimately replace conventional meters with smart meters across India. Installation of these smart meters along with its associated communication and IT software will enable the utilities to obtain real time energy consumption data of each consumer for subsequent analysis and will pave the way for initiating various smart measures like Time-Of-Day (TOD)/Time-Of-Use (TOU) billing, prediction & management of peak demand, providing real time energy consumption data to consumer, prepaid billing facility, remote connection & disconnection of load, accurate billing, cutting the costs of manual meter reading through web-based monitoring system, among many others.

In today's modern distribution sector, the smart energy metering solutions are also offering great market opportunities in overseas markets. The global smart meters market is also expected to grow at a rapid pace, mainly, due to government's various smart meters rollout schemes, reduction in carbon emissions, positive environmental impacts and implementations of mandates & policies in developed economies. In addition, governments around the world are allocating budgets to turn existing cities into smart and also to establish new smart city projects, in order to improve the overall economy. North America and Europe smart meters markets are expected to witness decent growth on account of the regulatory conditions, standardized policies and enhanced focus on smart grid projects. Asia-Pacific is expected to dominate the global smart meters market in coming years owing to the extensive use of smart solutions in the commercial, residential, as well as industrial sector. The region is witnessing huge investment in the infrastructure sector with increased focus on smart grid and smart city projects. These all have opened a huge opportunity for smart electricity meter manufacturers and expected to contribute largely to smart meter market growth, globally.

## PREPAID ENERGY METER

Prepaid electricity meter is considered as a revolution for power distribution companies around the world as it play a major role in reducing AT&C losses and power theft with 100% collection efficiency. Prepaid smart electricity meter requires customers to pay for electricity in advance. It is similar to the prepaid SIM card used in mobile phones where the customer can call until the amount is used, after which the connection is unavailable. Prepaid electricity meter has a number of advantages over conventional static meters such as–

- Easy recharge through apps or portals of power distribution companies and recharge monitoring from anywhere
- Live updates on consumption and quality of service
- Direct web-based access for power supply & consumption monitoring and eliminate the need for manual supervision, thereby save the energy and manpower
- Keep records of recharge and consumption history for budgeting and planning
- Curtail AT&C losses of power utility, save cost of billing, and 100% collection efficiency as payment is upfront
- No hassles of meter reading, unpaid bills and disconnection for non-payment
- Relief from standing in long queues, effective load control and demand side management,
- Eventually reduces carbon emission and positive impacts on environment
- Easy support, follow-ups and much more available on the fingertips

Prepaid meters in India have been tried in several DISCOMs / cities and in one state, Manipur, where it was a huge success. In Bengaluru, some parts of Kolkata, Ghaziabad and Noida, prepaid meters were installed and remained successful. Many state governments have now begun installing smart meters under the government's smart city mission. GoI is promoting smart cities that provide core infrastructure and give a good quality of life to its citizens, a clean and sustainable environment and application of smart solutions. Smart cities clearly appear to be a good opportunity for deployment of prepaid electricity meters. Prepaid Meters are also becoming smart by incorporating built-in communication capability. Rising EV (Electric Vehicles) penetration will further increase the need for smart charging infrastructure and smart metering.

Recently, the GoI has decided to procure smart and prepaid meters to be deployed across the country. The government has mandated the use of smart / prepaid electricity meters in the country from April, 2019 and looks to complete major part of the transition over next three years. This step is likely to bring revolution in Indian power sector by way of reduction in AT&C losses, improvement in health of distribution companies, incentivising energy saving, ease in payment, effective load control and demand side management. This would also help low income consumers as they would not need to pay the entire payment at the beginning of month. Though the prepaid / smart electricity meter has gained momentum with increased thrust of GoI, it is imperative that more steps are taken for fast adoption of these intelligent meters across the country.

**COMPANY'S PRODUCTS & SERVICES - PERFORMANCE AND OUTLOOK:**

**SMART ENERGY METERING SOLUTIONS:**

With focus on continuous research and development, Genus Power Infrastructures Limited ("Genus" or "the Company) takes pride in providing full spectrum of smart metering solutions for power distribution companies. The metering solutions are vertically integrated with all solution layers (Hardware & Devices, Data Communication, Data Acquisition and Data Analytics & Reporting). These include a portfolio of scalable and robust software and end-to-end solutions such as Prepaid Vending Software, Head-end System (HES) and others. The hardware components of the solutions include Smart meters, Multifunction Single-Phase/Three-Phase Electricity Meter, LTCT Operated Meter, Smart Residential Meter with Integrated GSM/GPRS Modem/LTE-M/NBIOT/RF/Wi-Fi connectivity, Smart DT Meter with Integrated Communication Modules, High end Multifunction Panel Meter, Data Collector Unit (DCU), Multi-Channel DC/AC Energy Meter. Some value-adding end-to-end solutions include Dual Prepayment Metering Solution, Automatic Power Factor Controller, Smart Group Metering Solution, Thread-Through Metering Solution for Distribution Transformer, Common Meter Reading Instrument, Grid & Sub-Station Meter and Net-metering Solutions for rooftop solar system.

Genus is proactive in leveraging adjacencies in smart city initiatives such as providing Smart Street Light Management Solutions. This green initiative helps in managing large-scale outdoor public lighting infrastructure, efficiently.

Genus is also capable of providing Gas Meters for domestic consumers.

**Broad range of Indigenously developed products/services**

| Smart Prepayment Metering Solutions | Residential & Commercial Solutions | Smart Metering Solutions |
|---|---|---|
| •Prepayment Electricity Meter (Agrim™).<br>•Dual Prepayment Solution (Agrim™). | •Multifunction Single Phase Meter - ("Shikhar"™)<br>•Multifunction Three Phase Meter - ("Shikhar"™)<br>•Three Phase Four Wire LT/HT CT Operated Meter | •Smart Residential Single Phase Meter with Integrated GSM / GPRS Modem -("Saksham 145")<br>•Three Phase Smart Meter with integrated GSM/GPRS -("Saksham-345")<br>•Three Phase LTCT Meter with integrated GSM/GPRS -("Saksham-340") |
| **Industrial Solutions** | **Distribution Transformer Metering Solutions / Audit Metering Solutions** | **Calibration Equipment** |
| •HTCT Meter (Smart Meter with Integrated Communication)<br>•Automatic Power Factor Controller (APFC) | •Thread Through Metering Solution for Distribution Transformer - ("Sampoorna"™)<br>•Smart DT Meter with Integrated Communication ("Saksham™-320") | •Portable Reference Meter for Single Phase ("Achook™-1080")<br>•Portable Reference Meter for Three Phase ("Achook™-3080") |

| Smart City Light Management | Net Metering / Renewable Energy Management | Grid / Open Access |
|---|---|---|
| •Smart Street Light Management System (SSLMS).<br>• Multifunctional Meter ("Samarth")<br>•Multi-Channel Direct Current Energy Meter ("Samarth-DC") | •Bi-Directional (Net) Metering Solution<br>•Grid & Sub-Station Meter | •Grid & Sub-Station Meter ("Daksh"™)<br>•**Communication Devices**<br>•Common Meter Reading Instrument ("Samvaad+") |

Over the last two decades, Genus has been providing advanced and customised energy metering solutions and services for the power distribution sector. Currently, Genus is known for providing smart metering solutions and modern technologies for power distribution companies across the world. Genus, with one of largest installation bases of around 60 million electricity meters around the world, is a major player in power infrastructure space. With strong brand image and years of proven track record, Genus is well recognised amongst its valuable customers for providing customer-oriented reliable metering solutions. Genus enjoys leadership in providing end-to-end metering solutions with communication modules and software for the smart grid.

In order to have smart T&D network, it is necessary to solve issues relevant to it and Genus smart meter offer an elegant solution to this problem. It is altering the trend in India by rationalizing electricity consumption and by providing more control over energy consumption, detection of theft/tampering and budget management. Within the larger framework of smart grid, the Company's focus is to enable distribution companies to serve the society better with its solutions. The Company aim to improve operational efficiencies, enable smooth integration of renewable energy, peak-demand management / peak shaving and consumer awareness. In other words, Genus smart metering solutions are making Smart Grids and Smart Cities Grids possible. It is increasingly recognised as one of the key products toward development of a smart infrastructure.

Genus smart metering solutions meet a wide range of global as well as domestic standards and regulatory compliances. Genus has been awarded several national and international quality accreditations/certifications such as 'ISO 14000', 'ISO 9000:2015', 'ISO 18001', 'ISO 27001', 'BIS', NABL, 'STS', 'EMC', 'ISI', 'S' mark and AEO-T1, among many others, that bears testimony to the quality of its products and production process / procedures. Genus has a proud CMMI level-3 Research and Development division. Genus was the first Company to receive BIS certification for its smart meters. These accreditations give a competitive edge to the Company over its competitors, mainly in getting orders and promotion of its products, across the globe. The Company has an advanced in-house Research & Development (R&D) centre, which is approved by Ministry of Science and Technology, Department of Scientific & Industrial Research, New Delhi and is accredited by NABL (National Accreditation Body for Testing Labs) for its test labs. This in-house technology development capability together with cutting edge equipments, reliability test set ups, advanced design software, full-fledged tool room for making dies and moulds, automated SMT lines and Lean Assembly techniques, enables the Company to continuously improve its products as well launch new innovative products to meet industry's futuristic requirements. It also enables the Company to keep its products at par with international requirements and standards. With these measures, Genus is poised for a leap into Industry 4.0.

On the back of the state-of-the-art manufacturing facilities with complete forward & backward integration and dedicated IT division for enabling advanced IT enabled solutions, currently Genus has an annual production capacity of more than 10 million meters. With years of experience, Genus has capability to scale-up manifold its production capacity in very short span of time to meet the increased industry demand whenever such a situation arises.

Our exports business has also been growing gradually in FY19. Last year the Company executed export orders of meters for Singapore, Malaysia, Nigeria, Zanzibar (Tanzania), Bangladesh, Nepal, Oman, Chad and South Africa besides few renowned EPC players for their overseas clients. Smart grid /smart meter rollout to reduce AT&C losses and increased awareness among consumers about the benefits of smart electricity meters are expected to positively influence smart electricity meter market growth, globally. To grab opportunities in the overseas markets, Genus has set up a dedicated export design team and manufacturing facility, which would focus on execution of export orders only and will ensure quality and timely delivery of export meters. Genus believes orders / repeat orders from an overseas utility would depend on the quality of the meters supplied and has made plans to achieve tough quality goals. Genus is aggressively participating in exhibitions outside India to expand its foothold in overseas market through selling and having strategic tie-ups. Recently, Genus received an 'Authorised Economic Operator' (AEO)–T1 certificate from Central Board of Indirect Taxes and Customs department of GoI, in recognition and appreciation of our commitment to secure the international supply chain.

In FY 19, Genus has seen a healthy demand for its meters and grabbed opportunities on regular interval to preserve its solid order book. Genus order book at the end of FY19 stood at ₹1498 crores (net of tax). This gives us the confidence to deliver robust performance in coming years and play a significant role in reform of the power distribution sector.

**'ENGINEERING, CONSTRUCTIONS AND CONTRACTS' ('ECC') FOR POWER T&D SECTOR:**

Genus is one of the few companies offering design-to-end-turnkey power solutions for power T&D sector. Genus turnkey ECC offering includes setting up of switchyard / sub-stations (upto 400kv), transmission lines (upto 400kv), complete rural electrification, distribution lines & HVDS and process industry plant electrification. It also offers restoration and upgradation of the T&D network to make smart infrastructure possible.

With excellent project management capabilities, in-house engineering & design capability, manufacturing expertise and strong testing prowess Genus ensure best environmental-friendly and smart ECC solutions to its customers. Genus turnkey ECC solutions, offers high quality service and benefits to power utilities. Some noteworthy projects, endorsing the Company's credentials in India, include-

| | |
|---|---|
| Karnataka - KPTCL (Bengaluru) | •Construction of 2x10 MVA 110/11 KV Substation on total turnkey basis at Sampige Dist., Tumkur |
| Uttar Pradesh - UPPCL (Lucknow, EDC Agra, Hardoi, Firozabad, Shikohabad, Varanasi, Etawah & Jhansi) | •Construction of new 33/11 KV, 11/0.4 KV Substations, renovation, modernization & augmentation of existing Substations and 33 kV, 11 kV & 0.4 kV Transmission Lines (Total 11 no. 10MVA 33/11kV, 7 nos. 8MVA 33/11kV & 16 nos. 5MVA 33/11 kV) on turnkey basis. |
| Rajasthan - JVVNL & AVVNL (Jaipur & Ajmer) | •Rural electrification work under RGGVY |
| Maharashtra - MSEDCL (Latur & Akola) | •Creation of rural electricity infrastructure in Beed, Nanded, Omsmanabad & Yavatmal Districts. |
| Orrisa - NHPC (Rayagada) | •RGGVY scheme for Rural electricity infrastructure & household electrification (11 nos. 3.15MVA 33/11 kV) |
| West Bengal - WBSEDCL (Kolkata) | •Rural electrification under RGGVY, Malda |
| Bihar - NHPC (Patna West Champaran) | •RGGVY scheme for rural electricity infrastructure & household electrification in East & West Champaran districts, Bihar (14 nos. 3.15MVA 33/11 KV) |
| Chattishgarh - NHPC (Kanker & Rajnandgaon) | •RGGVY scheme for rural electricity infrastructure & household electrification in Kanker and Rajnandgaon districts, Chattishgarh |
| West Bengal - WBSEDCL (Kolkata) | •Rural Electricity Distribution Backbone –REDB-I Scheme (6.3MVA 33/11 kV) |
| Jharkhand - USNL (Ranchi) | •Design, supply, erection, testing & commissioning of 132/33 kV Substation at Simdega & 132 KV D/C Transmission Line from Lohardaga to Gumla 59 km on total turnkey basis (Partially commissioned) |
| Telangana - TSTRANSCO (Hyderabad) | •Erection of 220/132/33 KV Substation at Bonguluru and supply of material for erection of 220 KV LILO of both circuits of Dindi-Chandrayangutta Line to the proposed 220 KV Bonguluru Substation in Ranga Reddy District on turnkey basis with automation features. |
| Karnataka - KPTCL (Chitradurga) | •Construction of 220 KV DC line from KPTCL's 220 KV GSS at Thallak Station to the upcoming 220 KV Station of Bhabha Atomic Research Centre (BARC) at Doddullarty of KPTCL on turnkey basis. |
| Madhya Pradesh MPPTCL (Jabalpur) | •Supply of towers and complete erection, testing and commissioning of Gwalior II (220KV) - Hastinapur 132 kv DCSS transmission line of MPPTCL. |
| Madhya Pradesh MPPKVVCL (Indore) | •Rural electrification under RGGVY Scheme |
| Madhya Pradesh MPMKVVCL (Bhopal) | •HVDS work under ADB Scheme |
| Uttarakhand - UPCL (Haridwar, Roorkee, Kashipur, Rudrapur & Haldwani) | •System improvement, strengthening and augmentation of distribution system for bringing down AT&TC losses and to improve quality of power supply of 16 towns of Uttarakhand under R-APDRP Part-B scheme on turnkey basis. |
| Tamil Nadu (Chennai) | •Establishment of Ambattur Industrial Estate 230 kV AIS Substation in Chennai region on total turnkey basis. |

Genus ECC offering has received an enthusiastic response, especially when the sector is facing many challenges. In such a short span of time, Genus has achieved many milestones in this space, such as-

- 100 kilo meters of 132kV transmission line and 132kV sub-station
- One million plus BPL connections and counting under RGGVY Scheme
- Rural electrification of more than 10,000 villages & counting under RGGVY Scheme
- 25,000 kilo meters LT lines
- More than 60 sub-stations of different ratings upto 220kV
- 10,000 kilo meters HVDS project (Single phasing work)
- 220 kV LILO Transmission Line and 220/132/33 kV Sub-stations

Currently, Genus is focusing on completion of the following prestigious ECC projects for power T&D sector in India:

| | |
|---|---|
| Jharkhand - NTPC | •Design, engineering, supply of equipments for Substation, Transmission Line and associated system for the construction of 220 KV Substation at Chhatti Bariatu, 33 KV Substation at Kerandari, 33 KV D/C Line from Chhatti Bariatu to Kerendari, 200 KV D/C Line from Pakri Barwadih to Chhatti Bariatu and from Patratu to Pakri Barwadih along with installation of DG Sets. |
| Jharkhand - JUSNL (Ranchi) | •Design, supply, erection, testing & commissioning of 132/33 kV Substation at Simdega and 132 kV D/C Transmission Line (Balance additional work). |
| UP - PVVNL (J.P. Nagar & Bijnore) | •Rural electrification work including 11KV Feeder Segregation, Sansad Adarsh Gram Yojna and other works on partial turnkey basis under Deen Dayal Upadhyaya Gram Jyoti Yojna. |

After gaining vast experience in execution of turnkey ECC for power distribution companies in India, Genus is continuously evaluating and selectively participating in the opportunities available in power infrastructures space with focus on projects related to rural electrification and commissioning/upgradation of transmission line & substation.

Power T&D Sector reform is on its way to major restructuring in India. Every utility in each state is going for smart electrical equipments and is coming out with smart infrastructure plans to fulfill India's mission of smart grid and smart cities. Genus, as an established quality service provider, has embarked into turnkey ECC projects to tap vast opportunities available in this power infrastructure space. With this, Genus foresees significant potential in this area in the coming years.

### RISKS AND CONCERNS

The Company's business, financial condition or results of operations could be materially affected adversely by any of following risks:

### RAW MATERIAL RISK

**Impact:** Non availability of good quality electronics components and accessories could negate the qualitative and quantitative production of company's products and services. Further, some of the components and materials are procured from international suppliers, thus availability and pricing of such materials depend on global situation.

**Mitigation:** The Company has an adequate inventory management system, which ensures uninterrupted supply of electronics components and accessories used as raw material in the meters. In order to thwart the risk of delayed deliveries of some critical components like Multi-Layer Ceramic Capacitors (MLCCs) & Chip resistors following global shortages, the Company has signed long term strategic supply agreements with some key distribution partners. A separate dedicated function (PPC) ensures efficient production planning and control in order to bring about the desired manufacturing results in terms of quality, quantity, time and cost. Furthermore, the Company has complete forward and backward integration facilities to carry out manufacturing of its sub parts / assemblies in-house. Adoption of Karljic Matrix has further improved supply-chain management of the Company. The Company's hedging policy and practices enable it to reduce and/or adjust the impact of fluctuations in foreign exchange on raw materials costs.

### TECHNOLOGY CHANGES AND OBSOLESCENCE RISK

**Impact:** Rapid emergence of new technology and obsolescence of products/technologies offer a great challenge to survival of companies specially those in the field of electronics.

**Mitigation:** Genus has an in-house globally competitive Research & Development Laboratory, which is recognised by the Ministry of Science & Technology, Government of India and accredited by National Accreditation Body for Testing Labs 'NABL' to perform in-house tests. Thus, Genus is self-sufficient in constant technology up-gradation, innovation activities and providing customized solutions to its customers. Genus in-house R&D Lab capability to remain updated with the newest in technology (this practice is inbuilt in their system) allows it stay ahead of time and develop and introduce new requirements / products quickly into the market.

**COST INFLATION RISK**

**Impact:** Escalation in raw material prices following growing demand and global shortages may cause cost inflation and affect the profitability of the Company. Moreover, increased freight could dent profitability.

**Mitigation:** In order to de-risk the escalation in raw material prices, Genus entered into purchasing arrangements/agreements with key distributors on yearly basis. Besides, the company has embarked upon an improvement drive to reduce the bill of materials cost per product based on innovative R&D initiatives, engineering interventions and application of modern end to end supply chain management theories. The net result is that the Company is able to save about 5% on its raw material costs on a year to year basis. The process of estimation of projects is carried out advance in the case of non-escalation contracts with the vision to protect the possible increase in the inputs of the contracts. Further, the Company's hedging policy and practices enable it to reduce and/or adjust the impact of fluctuation in foreign exchange on raw materials costs.

In order to minimize the risk of increased freight, the Company is optimizing the droppings/dispatch of consignments. Besides, our contacts are redefined to reflect the actual increase in input costs & accordingly only pay for the same.

**QUALITY RISK**

**Impact:** Highest quality parameters are a must for any electronic/power related business or industry. Any reduction/failure on quality front due to laxity or inferior raw material could lead to severe consumer attrition.

**Mitigation:** The Company has incoming test facility, fully automated and state-of-the-art manufacturing facilities and tool rooms along with advanced software, equipments and automatic test systems and comprehensive quality checks, to ensure conformance of raw materials and end products to the highest quality standards. Genus also ensures raw materials are properly checked as per Genus Quality standards at supplier premises and goes to the extent of helping suppliers in establishing a high quality test set up there. Genus takes recourse to resolve its quality issues using the power of lean sigma methodologies. Adhering to continuous improvement is a constant feature of the Company. The quality of the Company's products has not only led to better acceptance in even the fiercely competitive markets but also has resulted in high repeat orders/business on account of increased customer loyalty. Genus deploys PDI (Pre Delivery Inspection) to make sure the customer gets products as per its exact requirement. Moreover the Company has various recognitions / accreditations / certifications such as ISO 14000', 'ISO 9000:2015', 'ISO 18001', 'ISO 27001', 'BIS', NABL, 'STS', 'EMC', 'ISI', 'S' mark, AEO-T1, etc. strengthening its quality commitment.

**COMPETITION RISK**

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

**Mitigation:** Driven by spirit of innovation and armed with globally competitive in-house R&D lab, the Company is able to constantly improve existing products and develop new products/services with distinct features to stay ahead of competition. Use of IT software and latest technologies, provides the competitive advantage to the Company. Further its state-of-the-art manufacturing facilities strategically placed in tax holiday zones in India enables the Company to offer unmatched quality at a competitive price. Further the Company believes that in the long run, quality is the sole consideration of the consumers and has therefore never compromised on the quality of the products for short term benefits.

**DELAYS IN EXECUTION OF TURNKEY ECC PROJECTS**

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

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

**REALISATIONS AND LIQUIDITY RISK**

**Impact:** The liquidity position of the Company may be affected due to delays in recovery of dues and may negatively impact the operations and earnings of the Company. Any decline in the realisations would directly affect the Company's performance.

**Mitigation:** Since the Company does most of its business with government bodies/institutions/agencies, it foresees no risk of non-payment from clients. The management also formulates strategies and takes necessary actions to collect the dues from clients on time to ensure smooth flow of funds. The short term fund requirements are fulfilled by obtaining working capital facilities from Banks/FIs.

**FOREIGN EXCHANGE RISK**

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

**Mitigation:** At Genus, most of the foreign currency exposures are hedged to the maximum extent. Further the Company receives a portion of its revenues in foreign currency; it reduces the impact of any change in the foreign currency exchange rates. The management adopts the appropriate strategies/techniques to minimise the negative impact of any adverse change in the foreign currency exchange rates.

**LEGISLATIVE CHANGES RISK**

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

**Mitigation:** The role of power sector in the growth of economy of India ensures the continuous attention and investment of the Government in this sector. Further, in order to accelerate the growth and for meaningful diversification, the management continues to put in place sustained efforts to explore newer and wider horizons in the power sector domain.

**COMPLIANCE AND REGULATORY RISK**

**Impact:** With increased regulatory pressures and more complex legal requirements, there is a challenge for every company to protect its brand and mitigate the risk of non-compliance in a way that supports performance objectives, sustains value and protects the brand.

**Mitigation:** The Company's compliance officers, advisors and experts work closely with management to assess, improve and enhance its compliance programs/procedures on an ongoing basis. The Company has hired/employed the best available professionals for legal compliance and corporate governance. The Company's compliance teams at all levels are regularly provided trainings for their improvement and updating. Company's internal audit department led by qualified personnel play an important role in implementing and monitoring the compliance of statutory requirements.

**INCREASE IN BORROWING COST**

**Impact:** The Company may feel the pressure of high borrowing costs due to increased interest on bank loans. The weakening rupee may also add to the woes of Company in sourcing funds from the global markets as well. Further, the borrowing cost may increase on account of increased working loans to execute higher amount of orders.

**Mitigation:** The Company focuses on optimum utilisation of available credit limits (bank borrowings) and current assets through better management of borrowings & available funds. It focuses on reduction and/or reshuffling in the higher-cost debts. The Company continues to rely on short-term debt to meet its working capital requirements. The long-term debt is used largely to support the capital expenditure incurred towards expansion.

**CYBER RISK**

**Impact:** Cyber risk means any risk of financial loss, disruption or damage to the business and reputation of an organisation from some sort of failure of its information technology systems e.g. data loss, ransomware attacks. Company needs to tackle the many security challenges it faces on a daily basis including reduction in costs related to managing security risk, and improvement in its overall cyber security posture.

**Mitigation:** In today's world where every organisation is digital by default, it has become very crucial to understand the threat and to start viewing the business from a cyber perspective. The Company recognizes cyber risk as an enterprise business risk, not just an information technology (IT) problem. The Company has built appropriate skills and resources in-house to effectively secure its information assets, while optimizing business performance. The Company has in-house team to manage cyber security issues, which anticipates and detects the cyber threats it is about to face or facing and promptly responds to a cyber security incident.

**OTHER RISKS**

The risks described above are not the only ones relevant to the Company. Additional risks not presently known to the Company or that it currently deems immaterial may also impair the Company's business operations.

**DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT SYSTEM/POLICY**

For reliable business growth, it is essential that risks be effectively identified, analyzed and then mitigated by means of appropriate control measures. The Company follows a proactive risk management process, which aims to anticipate & report potential risks in time and prompt implementation of controls to mitigate the potential negative impact of potential risks. The Company has developed a comprehensive risk management and control mechanism, which mandates the participation of every department/division in formulation and execution of appropriate control measures/techniques. The company signs NDA (Non-Disclosure Agreement) wherever applicable to protect its propriety information. It also mandates the sharing of relevant information across the divisions of the Company. The Company has also integrated its risk management and control mechanism with internal controls and audit supported by SAP ERP, which ensures smooth running of day-to-day operations, regulatory standards and mitigates risk.

The internal audit department continually audits all the key areas of operations so that weak areas of operations can be identified and appropriate actions could be taken early. The management also periodically reviews the efficacy of all the existing policies and strategies followed by the Company. Regular training programs and workshops were conducted for recording, monitoring, and controlling internal risks and mitigating them through conversant and objective strategies and plans.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

An internal control system refers to a system which assures an organization's objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with applicable laws and policies. It is most important tool for detecting & preventing fraud and thereby protecting the organization's resources. Genus has already put in place an effective and adequate internal control system commensurate with the size, nature, scale and complexity of its business activities. Genus has the set of defined policies, rules and procedures by which its resources are directed, monitored, and measured to control risks to the Company.

The CEO of the Company has overall responsibility for implementing effective internal control. He periodically evaluates the effectiveness of the existing system of internal control. He has laid-down the internal financial controls in accordance with provisions of the Companies Act, 2013. The employees and the Audit Committee are kept up-to-date about the changes in Company's policies, rules, and applicable statutory compliances. The internal auditors and external auditors of the Company also measure the effectiveness of internal control and make recommendations on how to improve internal control. The Audit Committee also discusses with management, internal and external auditors the quality and adequacy of the Company's internal controls system and risk management process, and their effectiveness.

The CEO and CFO certificate provided in this Annual Report confirms the establishment, maintenance and the effectiveness of internal financial control systems of the company pertaining to financial reporting.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Looking at the challenges ahead, it is essential that human resource management and competency development programs are integrated in the changing process and play an active role to facilitate and support fast changing scenario. Regular development of competency of the employees for assessing and training is the need of the hour.

In FY 19, the Company focused on identifying high potential manpower and developing the most superior workforce so that the organization and individual employees can achieve their respective goals. The employees were given adequate opportunities to develop their personal as well as organizational skills, knowledge and abilities through various trainings, career development, coaching and mentoring programs. Some of the trainings /programmes undertaken are as follows:

- Decision Making & Problem Solving Skills
- Behaviour Based Safety
- Performance Management System (PMS)
- Stress Management Session
- Road Safety Orientation Programme
- Cost Optimization
- Workshop on Prevention of Sexual Harassment at Workplace (POSH)
- Personal Effectiveness
- IT Security
- Customer Relationship Management
- Awareness Training on ISO 9001:2015
- Advance Planning & Control
- Effective Commercial & Marketing Skills
- Email Etiquette
- Awareness about Communication Technology
- Interviewing Skill Training Program
- ESIC
- Awareness about ESI/PF
- GST
- Awareness about TDS & Income Tax
- 5S
- Incoming QC
- Leadership Development
- Introduction to CMMI for development version 2.0
- Emergency Handling & Fire safety
- Program of 'One New Skill - Every Year'
- NLP by an International Trainer
- Emotional intelligence program
- Hi potential identification and grooming program

Motivation and competencies are very crucial in managing people. Motivation is also considered as an engine for growth. To make this happen, the Company employs a range of tools - mainly communication, surveys and teambuilding. Performance review or staff appraisal interviews are also used as motivating tools. Recently, Genus conducted a Trust survey along with an organization O Factor. The YPO Factor assessment provided insights on 19 different dimensions that contribute to trust in the Company's organization culture. This helped the employees to understand the Company's culture & work towards further improvement.

Likewise, in FY19, Genus celebrated/organized –

- Road Safety Week and organized many activities during this week like quiz, vehicle checking, awareness regarding helpmate & safety belt.
- Run 'GENUS 3K Run 2019' to achieve fitness revolution in lives.
- 4th International Yoga Day-2018
- Founders' Day to celebrate individual as well as collective achievements
- Annual Sports Tournaments
- 72nd Independence Day
- Blood Donation Camp
- Yoga Camp
- Swaccha Genus Day
- Genus Innovation Day on 15th September

In FY19, Genus Team for INSSAN (Indian National Suggestion Scheme Association) got two distinguish awards in technical paper and case study presentation in the 20th National Creativity Summit by INSSAN - NIC, New Delhi. During the year, Genus HR executive also received the Women Achiever Award 2019 on the occasion of International Women's Day on 8th March 2019. Princess Diya Kumari of Jaipur, Ms. Deepa Mathur (Owner & Founder- QUALIS, National Awardee) and other eminent personalities felicitated 25 women working in the field of Environment, Arts, Sports, Literature, Corporate and Business Entrepreneurship, Education, Science & Innovation and Social work.

The Company has well designed and documented policies in place that prevent discrimination and harassment. There is a whistleblower policy and vigil mechanism as well as POSH policy in place to discourage any wrong practices at the workplace. The Company has adopted the Code of Conduct to reinforce the core values of the Company. The adoption of this Code affirms the Company's commitment to values of excellence and leadership.

As of March 31, 2019, the employee strength of the Company was 1069 (on-roll). In FY19, the attrition level continued to remain below 2%.

**REVIEW OF FINANCIAL PERFORMANCE**

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

**CAUTIONARY STATEMENT**

Statements in this 'Management Discussion and Analysis', describe the company's objectives, projections, estimates, anticipations, expectations, intentions, plans and belief, which might be forward-looking statements within the meaning of the applicable laws and regulations. These forward looking statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict as progressive within the meaning of applicable security laws and regulations. Actual results may differ from those expressed or implied, depending upon economic conditions, Government policies and other incidental factors.

For and on behalf of the Board of Directors

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, July 25 2019

# Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of

**Genus Power Infrastructures Limited**

1. The Corporate Governance Report prepared by Genus Power Infrastructures Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchange.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Directors Register as on March 31, 2019 and verified that at least one women director was on the Board throughout the year;
   iv. Obtained and read the minutes of the following committee meetings held April 01, 2018 to March 31, 2019:
      (a) Board of Directors meeting;
      (b) Audit committee;
      (c) Annual General Meeting;
      (d) Nomination and remuneration committee;
      (e) Stakeholders Relationship Committee;
      (f) Risk management committee;
      (g) Corporate Social Responsibility Committee; and
      (h) Finance Committee;

v. Obtained necessary representations and declarations from directors of the Company including the independent directors ;

vi. Obtained and read the policy adopted by the Company for related party transactions ;

vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee ; and,

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

**Other matters and Restriction on Use**

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.: 213271
UDIN : 19213271AAAAAM8639
Place of signature : New Delhi
Date : July 25, 2019

**For D. KHANNA & ASSOCIATES**
Firm registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No.: 092140
UDIN : 19092140AAAACW3497
Place of signature : Jaipur
Date : July 25, 2019

**'Annexure-F' to the Directors' Report**

# Corporate Governance Report

The Directors present the Company's report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance implies the systematic process and conduct in which a company is controlled and managed to the paramount interest of all the concerned stakeholders. Although, it is a legal compulsion to adhere to the corporate governance practices, Genus Power Infrastructures Limited ('Genus' or 'the Company') always tries to exceed the legal standards. The Company is managed in an ethical, disciplined, accountable, transparent and fair manner, with the blend of both legal and management practices. It is embedded in the decision making process of the Company, and also communicated accurately and timely in such a way that both stakeholders' expectations and legal standards are met, effectively and timely.

The Company believes good corporate governance involves a commitment to run the business in a legal, ethical and transparent way with a dedication that must come from the very top and permeate throughout the organisation. Good corporate governance is essential, not only in order to gain credibility and trust, but also as a part of strategic management for survival and growth. With implementation of best prevailing corporate governance practices, the Company has sincere approach for enhancement of long-term shareholder value at the same time protecting the interest of other stakeholders.

## 2. BOARD OF DIRECTORS (the 'board')

The board of directors (called the 'board') is a governing body of a company. Its members (called 'directors') are elected by the shareholders at their general meeting to govern company and look after the shareholders' interests. The head of the board of directors is the chairman or chairperson of the board. The board has the ultimate decision-making authority to run the day-to-day business affairs of a company and is empowered to set company's policy, objectives, and overall direction.

The board of the Company is entrusted with an ultimate responsibility of the management, directions and execution to run the day to day business affairs of the Company and is empowered to set the Company's plans, policies, objects and mission. The board works in co-ordination with the senior management team. The composition and strength of the board is reviewed from time to time to ensure that it is aligned with statutory as well as business necessities.

### (a) Composition and category of directors:

As on March 31, 2019, the board has an appropriate mix of executive, non-executive and independent directors including one woman director. The board comprised ten members, three of whom were whole-time or executive directors, two of whom were non-executive & non-independent, while the remaining five directors were independent directors, constituting the composition of the board in conformity with the provisions of the Companies Act and the Listing Regulations. Since the chairman was executive, half of the board comprised the independent directors.

The composition & categories of the directors, their attendance at the board meetings held in FY19 & at the last annual general meeting, and the number of other directorships & committees positions held by them in other public limited companies as on March 31, 2019 are as follows:

| Name of the Director / Director Identification Number (DIN) | Category | Promoter (P) / Non Promoter (NP) | Attendance at last AGM | No. of Board Meetings attended | No. of Membership / Chairmanship in Board of other Companies* | No. of Membership / Chairmanship in Board Committees of other Companies** |
|---|---|---|---|---|---|---|
| Mr. Ishwar Chand Agarwal (DIN: 00011152) | Executive Chairman (ED) | P | No | 10 | 6 | NIL |
| Mr. Kailash Chandra Agarwal (DIN: 00895365) | Vice-Chairman (NENI) | P | Yes | 9 | 5 | 2 |
| Mr. Rajendra Kumar Agarwal (DIN: 00011127) | MD & CEO | P | No | 10 | Nil | NIL |
| Mr. Jitendra Kumar Agarwal (DIN: 00011189) | JMD | P | No | 9 | 1 | NIL |
| Mrs. Sharmila Agarwal (DIN: 07137624) | WD (NENI) | NP | No | 9 | NIL | NIL |

| | | | | | | |
|---|---|---|---|---|---|---|
| Mr. Bhairon Singh Solanki (DIN: 00012141) | NEID | NP | No | 10 | 1 | 2 |
| Mr. Indraj Mal Bhutoria (DIN: 00762361) | NEID | NP | No | 9 | 1 | NIL |
| Mr. Rameshwar Pareek (DIN: 00014224) | NEID | NP | Yes | 9 | 4 | 2 |
| Mr. Dharam Chand Agarwal (DIN: 00014211) | NEID | NP | No | 10 | 1 | 2 (Including 2 as Chairman) |
| Mr. Udit Agarwal (DIN: 02820615) | NEID | NP | No | 9 | 1 | 2 (Including 2 as Chairman) |

- ED: Executive Director
- WD: Woman Director
- NENI: Non-Executive, Non-Independent Director
- JMD: Joint Managing Director
- NEID: Non-Executive, Independent Director
- MD & CEO: Managing Director & Chief Executive Officer

\# In accordance with Regulation 26(1)(a) of the Listing Regulations, the Directorships/Committee position held by Directors as mentioned above, do not include directorships/committee position in private limited companies, foreign companies and companies under Section 8 of the Companies Act.

\## In accordance with Regulation 26(1)(b) of the Listing Regulations, memberships and chairmanships of the Audit Committees and the Stakeholders' Relationship Committees alone in all public limited companies (excluding Genus Power Infrastructures Limited) have been considered.

The directors have requisite skills, qualifications, professional experiences and knowledge of doing business with modern management techniques. The Company has a diverse board, which enhances the quality of performance and decisions made by the board by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of board members. A brief profile of the board members is given in the Notice of 27th annual general meeting, attached to this report.

**A chart or a matrix setting out the skills/expertise/competence of the board of directors:**

The following skills matrix of the board provides a guide as to core skills/expertise/competencies identified by the board of directors as required in the context of its business and sector for it to function effectively and those actually available with the board. The board has identified this matrix as a useful tool to assist with professional development initiatives for directors and for the board's succession planning. The board as a whole also encompassed desirable diversity in aspects such as gender, age or different perspectives.

| **Personal Details** | | | | | **Committees** | | | | | | | **Top areas of Expertise** | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Name of the Director** | **DOB** | **Director Since** | **ID** | **NED / ED** | **AC** | **NRC** | **SRC** | **RMC** | **CSR** | **FC** | **SC** | **Strategy & Policy** | **Technology** | **Account & Finance** | **Risk & Compliance** | **IT** | **Commercial & Mkt** | **International** |
| Mr. Ishwar Chand Agarwal | 1950 | 1994 | | ED | | | | | (C) | (C) | (C) | √ | | √ | | | √ | |
| Mr. Kailash Chandra Agarwal | 1971 | 2011 | | NED | | | | | | | | √ | | √ | √ | | | |
| Mr. Rajendra Kumar Agarwal | 1975 | 2001 | | ED | | | | √ | √ | √ | √ | √ | √ | | √ | | | √ |
| Mr. Jitendra Kumar Agarwal | 1977 | 2004 | | ED | | | | | √ | √ | √ | √ | √ | | √ | | | |
| Mrs. Sharmila Agarwal | 1970 | 2015 | | NED | | | | | | | | | | | | √ | | |
| Mr. Bhairon Singh Solanki | 1927 | 2002 | √ | | √ | √ | √ | √ | | | | | √ | | √ | | √ | √ |
| Mr. Indraj Mal Bhutoria | 1968 | 2002 | √ | | | | | | | | | | | √ | | | | √ |
| Mr. Rameshwar Pareek | 1944 | 2003 | √ | | (C) | √ | √ | | | | | | | √ | √ | | √ | |
| Mr. Dharam Chand Agarwal | 1949 | 2005 | √ | | √ | (C) | (C) | (C) | √ | | | | | √ | √ | | √ | |
| Mr. Udit Agarwal | 1973 | 2009 | √ | | | | | | | | | | | | | √ | √ | √ |

(C) - Chairman; ED – Executive Director; NED - Non-Executive Director; AC - Audit Committee; NRC – Nomination and Remuneration Committee; SRC - Stakeholders' Relationship Committee; RMC - Risk Management Committee; CSR - Corporate Social Responsibility Committee; FC - Finance Committee; SC - Sales Committee; Mkt – Marketing

**Details of Directors having directorship in the other listed entities:**

| Name of the Director | Name of Other Listed Entity where having directorship | Category of directorship |
|---|---|---|
| Mr. Ishwar Chand Agarwal | • Genus Paper & Boards Limited | • Non-Executive Chairman |
| Mr. Kailash Chandra Agarwal | • Genus Paper & Boards Limited | • Managing Director & CEO |
| Mr. Rameshwar Pareek | • Genus Paper & Boards Limited<br>• Genus Prime Infra Limited | • Independent Director<br>• Independent Director |
| Mr. Bhairon Singh Solanki | • Genus Paper & Boards Limited | • Independent Director |
| Mr. Dharam Chand Agarwal | • Genus Prime Infra Limited | • Independent Director |
| Mr. Udit Agarwal | • Genus Paper & Boards Limited | • Independent Director |

No director of the Company was member in more than ten committees or acted as chairman of more than five committees across all listed companies in which he was director, in terms of Regulation 26 of the Listing Regulations.

**(b) Board process:**

The meetings of the board are held at regular intervals with a time gap of not more than 120 days. The board meets at least once every quarter, inter alia, to consider and approve the quarterly financial results and additional meetings are convened as and when required to address specific needs. The chairman finalise the agenda prepared by company secretary in consultation with other concerned members of the senior management. The agenda and notes on agenda are circulated to all directors in advance, and in the defined agenda format as per the requirement of the Companies Act, 2013 ('the Companies Act') and the Listing Regulations. All material information is incorporated in the agenda to facilitate informed discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific mention to this effect in the agenda. All directors are free to suggest inclusion of items on the agenda. The board members have complete access to all information and employees of company. All requisite information including the information as specified in Part A of Schedule II of the Listing Regulations is placed before the board for its consideration/noting/approval. The board yearly reviews the compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any. The same detailed procedures and practices are also followed in case of audit committee and other board committee meetings.

The company secretary records minutes of proceedings of each board and committee meeting. Draft minutes are circulated to board/ committee members for their comments and are entered in the minute's book within the time as stipulated in the Companies Act and Secretarial Standards issued by the Institute of Company Secretaries of India. Important decisions taken at board/ committee meetings are communicated promptly to the concerned departments/divisions/HOD. Action taken report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the board/committees for noting.

In FY19, the board has accepted all recommendations of the committees.

**(c) Board meetings:**

In FY19, the board met ten times on the following dates:

(i) April 03, 2018 (ii) May 11, 2018 (iii) June 09, 2018
(iv) July 27, 2018 (v) August 10, 2018 (vi) September 22, 2018
(vii) October 22, 2018 (viii) January 22, 2019 (ix) March 08, 2019 (x) March 30, 2019

The maximum time gap between any two board meetings was less than 120 days. The requisite quorum was present in all board meetings.

**(d) Disclosure of relationships between directors inter-se:**

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

**(e) The number of shares or convertible instruments held by Non-Executive Directors:**

The number of shares or convertible instruments held by non-executive directors as on March 31, 2019 is as follows:

| Name of the Director | No. of Equity Shares | Convertible Instruments |
|---|---:|---:|
| Mr. Kailash Chandra Agarwal | 13298356 | NIL |
| Mrs. Sharmila Agarwal | NIL | NIL |
| Mr. Rameshwar Pareek | NIL | NIL |
| Mr. Bhairon Singh Solanki | NIL | NIL |
| Mr. Dharam Chand Agarwal | NIL | NIL |
| Mr. Udit Agarwal | NIL | NIL |
| Mr. Indraj Mal Bhutoria | NIL | NIL |

**(f) Code of conduct of board of directors and senior management personnel:**

The Company has in place a comprehensive code of conduct ('the code') applicable to the directors and senior management personnel, pursuant to provisions of Regulation 17(5) of the Listing Regulations. The code also contains the duties of independent directors as laid down in the Companies Act. A copy of the code has also been posted on the website of the Company. All board members and senior management personnel of the Company are affirmed compliance with the code, on annual basis.

A declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management personnel, is published in this report.

**(g) Conflict of Interests**

Each director informs the Company on an annual basis about his board and committee positions including chairmanship in other companies and also notifies changes during the year. The board members avoid conflict of interest in the decision making process, while discharging their duties. The board members restrict themselves from any discussions and voting in transactions in which they have concern or interest.

**(h) Independent directors (IDs) and familiarisation programmes imparted to IDs:**

In accordance with the provisions of Regulation 17(1) of the Listing Regulations, half of the board (i.e. five out of total ten directors) comprised independent directors. Pursuant to the provisions of Section 149(7) of the Companies Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, independent directors have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act. The board has confirmed that the independent directors fulfill the conditions specified in these regulations and are independent of the management. None of the independent directors of the Company, (who is serving as a whole-time director in any listed company) served as independent director in more than three listed companies and none of independent directors served as independent director in more than seven listed companies. The maximum tenure of independent directors is in compliance with the Companies Act. The Company had issued a formal letter of appointment to independent directors in the manner as provided in the Companies Act and the terms and conditions of appointment have been disclosed on the website of the Company. Pursuant to the provisions of Section 149(8) of the Companies Act read with Schedule IV of the Companies Act, the board of directors of the Company has adopted the code of conduct for its independent directors as a guide to professional conduct.

**Separate meeting of independent directors**

In FY19, the independent directors of the Company have held one meeting on March 29, 2019 without the attendance of non-independent directors and members of management. All the independent directors of the Company were present at this meeting. The independent directors in this meeting have, inter alia:

- reviewed the performance of non-independent directors and the board as a whole;
- reviewed the performance of the chairperson of the Company; and
- assessed the quality, quantity and timeliness of flow of information between the Company management and the board that is necessary for the board to effectively and reasonably perform their duties.

**Performance evaluation**

As per the provisions of the Companies Act, the Listing Regulations and the criteria laid down by the nomination and remuneration committee ('NRC'), an annual performance evaluation of independent directors has been carried out. As per the provisions of the Companies Act and the Listing Regulations, on the basis of performance evaluation report, the board is required to determine inter-alia whether to continue the term of appointment of the directors. In FY19, the NRC and the board have approved the re-appointment of Mr. Rameshwar Pareek, Mr. Dharam Chand Agarwal, Mr. Udit Agarwal, Mr. Bhairon Singh Solanki and Mr. Indraj Mal Bhutoria, independent directors for another term of five consecutive years with effect from April 01, 2019 to March 31, 2024. The shareholders have also approved the same in their 26th annual general meeting held on September 21, 2018. However, Mr. Bhairon Singh Solanki and Mr. Indraj Mal Bhutoria have resigned from directorship with effect from April 01, 2019 due to health issues and due to preoccupation, respectively.

The following criteria were considered, while evaluating the performance of an independent director:

- Participation at the board / committee meetings;
- Commitment (including guidance provided to senior management outside the board / committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality;
- Independence of behaviour and judgment;
- Impact and influence;

- Exercise of objective independent judgment in the best interest of Company;
- Ability to contribute to and monitor corporate governance practice;
- Adherence to the code of conduct for independent directors; and
- Fulfillment of the independence criteria as specified in the Listing Regulations and their independence from the management.

**Fees/compensation to independent directors**

The Company has not paid any fees or compensation to its independent directors including non-executive directors (except payment of sitting fees to independent directors). Further, the payment of sitting fees was within the limits as prescribed under the Companies Act.

**Familiarisation programmes:**

At the time of appointing a director, a formal letter of appointment is given to him/her, which inter alia explains the roles, functions, duties and responsibilities expected from him/her as a director of the Company.

In FY19, the Company has conducted three familiarisation programmes for the independent directors to give them an opportunity to familiarize with the Company, its management and its operations so that they get a clear understanding of their roles, rights and responsibilities and contribute towards success of the Company. They were provided all the information required and sought by them and were given full opportunity to interact with senior management personnel to have better understanding of the Company, its business model and various operations and the industry. The details of such familiarization programmes conducted for the independent directors have been disclosed on the website of the Company at www.genuspower.com and the web link thereto is "https://genuspower.com/investor-category/corporate-governance/".

**(i) CEO and CFO certification:**

Pursuant to the Regulation 17(8) of the Listing Regulations, the managing director & chief executive officer and the chief financial officer of the Company have provided the compliance certificate to the board. The said compliance certificate as specified in Part B of Schedule II of the Listing Regulations is attached in this report and forms part of the annual report.

**(j) Plans for orderly succession for appointments to the board and to senior management:**

The board has satisfied itself that plans are in place for orderly succession for appointment to the board of directors and senior management.

**(k) Performance evaluation**

The Company has put in place a mechanism for performance evaluation of the directors. The details of the same have been included in the directors' report.

**(l) Code of conduct for prevention of insider trading and disclosure of unpublished price sensitive information:**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto, the board has adopted the "Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives", "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (includes "Policy for determination of legitimate purpose for sharing of UPSI") and Policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information. Theses codes and policies have already been posted on the website of the Company.

**3. COMMITTEES OF THE BOARD**

The board has constituted seven board level committees to deal with specific areas and activities which are important and requires a faster response. The board's committees are formed with approval of the board and with defined functions under their respective charters. These committees play an important role in the overall management of day-to-day affairs and governance of the Company.

The Company has the following seven board level committees:

(i) Audit Committee

(ii) Nomination and Remuneration Committee

(iii) Stakeholders' Relationship Committee

(iv) Risk Management Committee

(v) Corporate Social Responsibility Committee

(vi) Finance Committee

(vii) Sales Committee

Details of these Committees, including the composition, terms of references, number of meetings held in FY19 and the related attendance, are given herein below. The composition of committees of the board is also available on the website of the Company at www.genuspower.com and web link for the same is "https://genuspower.com/investor-category/corporate-governance/".

**(a) Audit Committee:**

The audit committee consists of three directors and all of them (including chairperson) are independent and non-executive directors. Mr. Rameshwar Pareek, chairperson of the audit committee was present at the previous annual general meeting of the Company held on September 21, 2018 to answer the shareholders' queries.

In FY19, the audit committee met six times on the following dates with a time gap of not more than 120 days between two meetings:

| | | |
|---|---|---|
| (i) May 11, 2018 | (ii) July 27, 2018 | (iii) August 10, 2018 |
| (iv) October 22, 2018 | (v) January 22, 2019 | (vi) March 30, 2019 |

The necessary quorum was present for all the meetings. The composition of the audit committee and the number of meetings held and attended by its members in FY19 were as follows:

| Name of the Member | Position | Category | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Rameshwar Pareek | Chairman | Independent Director | 6 | 6 |
| Mr. Bhairon Singh Solanki | Member | Independent Director | 6 | 6 |
| Mr. Dharam Chand Agarwal | Member | Independent Director | 6 | 6 |

The company secretary of the Company acts as secretary to the audit committee. The representatives of statutory auditors are permanent invitees to the audit committee meetings. The audit committee at its discretion invites the director or head of the finance function, head of internal audit and a representative of the cost auditors and any other such executives as it deems fit. All members of audit committee including its chairperson are financially literate and possess requisite qualifications. The chairperson has expertise of accounting and financial management. The composition of the audit committee satisfy the requirement of Section 177 of the Companies Act read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and the provisions of Regulation 18 of the Listing Regulations.

The board at its meeting held on March 30, 2019, has reviewed the terms of reference of the audit committee in order to remain compliant and to be in-line with provisions of the Listing Regulations and Companies Act and other SEBI regulations and amendments thereto.

The terms of reference of the audit committee and the information to be reviewed by the audit committee, inter alia, include the followings:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review, with the management, the annual financial statements and auditors' 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 Act;
  - 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; and
  - g) Modified opinion(s) in the draft audit report.*
- Review, with the management, the quarterly financial statements before submission to the board for approval;
- Review, 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 utilised 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;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;

- Review, on quarterly basis, of the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- Approval of any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Review, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors for any significant findings and follow up there on;
- Review 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;
- 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;
- Look into the reasons for substantial defaults, if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- Review and oversee the vigil mechanism of the Company in-line with the requirement of provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014;
- Review the following information, mandatorily:
  a) Management discussion and analysis of financial condition and results of operations;
  b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  d) Internal audit reports relating to internal control weaknesses;
  e) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and
  f) Statement of deviations*:
     (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
     (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- Review the financial statements, in particular, the investments made by the unlisted subsidiary company, if any;
- Review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Approval of pre-clearance of the proposed trade in the securities of the Company, if applied by the designated persons (Directors/Promoters) as per the Company's 'Code of Conduct for Regulating, Monitoring and Reporting of trading by designated persons and their immediate relatives';*
- Review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control to ensure compliance with the requirements given in these regulations to prevent insider trading are adequate and are operating effectively;*
- Review/oversees/carryout any other function as per requirement or stipulation set forth in any of the Company's codes of conduct, policies, articles of association, by-laws, rules and regulations;*
- Review/oversees/carryout any other function as per requirement or stipulation set forth in any statute or regulation or law;* and

- Carrying out any other function as assigned by the Board of Directors.

  *(Revised on March 30, 2019 and effective from April 01, 2019)

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

**(b) Nomination and Remuneration Committee:**

The nomination and remuneration committee ('NRC') consists of three directors and all of them (including chairperson) are independent and non-executive directors. The constitution and terms of reference of the NRC are in line with provisions of the Companies Act, Regulation 19 of the Listing Regulations and the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended.

In FY19, the NRC met five times on the following dates:

i) May 11, 2018 (ii) November 14, 2018 (iii) January 11, 2019

(iv) January 23, 2019 (v) March 29, 2019

The necessary quorum was present for all the meetings. The composition of the NRC and the number of meetings held and attended by its members in FY19 were as follows:

| Name of the Member | Position | Category | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Dharam Chand Agarwal | Chairman | Independent Director | 5 | 5 |
| Mr. Rameshwar Pareek | Member | Independent Director | 5 | 5 |
| Mr. Bhairon Singh Solanki | Member | Independent Director | 5 | 5 |

The company secretary of the Company acts as secretary to the NRC.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the board of directors, a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of the board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and also recommend to the board of directors for their appointment and removal;
- Carrying out evaluation of every director's performance and determination/recommendation as to whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommendation/review of remuneration of the Managing Directors and Whole-time Directors based on their performance and assessment criteria;
- Formulate, approve, implement, supervise and administer employee stock option schemes of the Company;
- Review/oversees/carryout any function as per requirement or stipulation set forth in any of the Company's codes of conduct, policies, articles of association, by-laws, rules and regulations;
- Carrying out any other function as is mandated by the board of directors from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable; and
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

**Remuneration of Directors:**

The details of remuneration of directors as required under the Listing Regulations are as follows:

**(i) Pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company:**

Apart from receiving sitting fees, there was no pecuniary relationship or transaction by non-executive directors with the Company. Further, the Company has not granted any stock option to its non-executive directors including independent directors. The details of sitting fees paid in FY19 to the non-executive directors are as follows:

| Name of the Director | Sitting Fee (₹ in Lakhs) |
|---|---|
| Mr. Rameshwar Pareek | 0.75 |
| Mr. Bhairon Singh Solanki | 0.88 |
| Mr. Dharam Chand Agarwal | 0.94 |
| Mr. Udit Agarwal | 0.45 |
| Mr. Indraj Mal Bhutoria | 0.45 |
| Mr. Kailash Chandra Agarwal | NIL |
| Mrs. Sharmila Agarwal | NIL |

**(ii) Details of remuneration paid to directors:**

The details of remuneration paid to managing director ('MD') and executive director/whole-time director ('WTD') for FY19 are as follows:

(₹ in Lakhs)

| Name of the Director | Salary | Allowances & Perquisites |
|---|---|---|
| Mr. Ishwar Chand Agarwal, Executive Chairman/WTD | 300.00 | NIL |
| Mr. Rajendra Kumar Agarwal, MD | 240.00 | 7.20 |
| Mr. Jitendra Kumar Agarwal, Joint MD | 240.00 | 7.20 |

Pursuant to the special resolution passed in the annual general meeting held on September 8, 2016, the Company has paid ₹35 lakhs each to Mr. Rajendra Kumar Agarwal, MD and Mr. Jitendra Kumar Agarwal, Joint MD, as commission (in addition to their fixed remuneration) for the FY19. Except the said commission, the Company has not paid any bonus, commission, pension, performance linked incentive and sitting fees to above managerial personnel. The above figures do not include provision for gratuity & leave encashment and premium paid for group health insurance, which is determined for the Company as a whole. Further, no stock option has been offered to any of them by the Company. Services of the managing director and executive director may be terminated by either party by giving usual notice period applicable. There is no separate provision for payment of severance fees.

Pursuant to the provisions of Section 134(3)(e) read with sub-section (1) of Section 178 of the Companies Act, the following policies of the Company relating to directors' appointment and their remuneration are available on the website of the Company www.genuspower.com and also attached to the directors' report:

(a) Policy for selection of directors and determining directors' independence.

(b) Policy on remuneration of director, key managerial personnel and senior management personnel.

**(c) Stakeholders' Relationship Committee:**

The composition and terms of references of the stakeholders' relationship committee ('SRC') are in line with the provisions of the Companies Act and Regulation 20 of the Listing Regulations.

In FY19, the SRC met four times on the following dates:

(i) July 03, 2018 (ii) August 02, 2018 (iii) January 08, 2019

(iv) March 29, 2019

The necessary quorum was present for all the meetings. The composition of the SRC and the number of meetings held and attended by its members in FY19 were as follows:

| Name of the Member | Position | Category | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Dharam Chand Agarwal | Chairman | Independent Director | 4 | 4 |
| Mr. Rameshwar Pareek | Member | Independent Director | 4 | 4 |
| Mr. Bhairon Singh Solanki | Member | Independent Director | 4 | 4 |

The company secretary of the Company acts as secretary of the SRC.

The board at its meeting held on March 30, 2019, has reviewed the terms of reference of the SRC in order to remain compliant and to be in-line with provisions of the Listing Regulations and Companies Act and other SEBI regulations and amendments thereto. The terms of references of the SRC inter alia, include the following:

- Oversee/review/redress/resolve the grievances of the security holders related to transfer, transmission, transposition, dematerialisation, rematerialisation, mutation of securities, and non-receipt of declared dividends, annual report, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA);
- Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- Oversee and review all matters related with transfer, transmission, transposition, dematerialisation, rematerialisation and mutation of securities, if required;
- Approve issuance of share certificates including duplicate, splitted/sub-divided or consolidated certificates;
- Oversee the performance of the registrar and share transfer agents of the Company;
- Oversee and redress grievances of other stakeholders under provisions of Companies Act;
- Review/oversees/carryout any function as per requirement or stipulation set forth in any of the Company's codes of conduct, policies, articles of association, by-laws, rules and regulations; and
- Review/oversees/carryout any other function as per requirement or stipulation set forth in any statute or regulation or law.

The Company has in place an adequate system for redressal of the shareholders' grievances. The secretarial department of the Company and/or the 'registrar & share transfer agent' ('RTA'), M/s. Niche Technologies Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The designated e-mail address for investors' grievance redressal division / compliance officer is "cs@genus.in". In FY19, the Company received three complaints from the shareholders and all were resolved timely and satisfactorily. There was no pending complaint as on March 31, 2019.

In order to provide effective & prompt services to shareholders and for speedy disposal of the matters, the board has delegated various powers to the RTA such as share transfer, share transmission and other shares related matters which includes issue of new certificates on re-materialization, sub-division, consolidation, exchange, etc. The RTA attends the share transfer/transmission formalities at least once in a fortnight. Mr. Ankit Jhanjhari, company secretary of the Company is the compliance officer of the Company for complying with provisions of the securities law, listing regulations, company law and SEBI rules & regulations.

**(d) Risk Management Committee:**

The composition and terms of references of the risk management committee ('RMC') meet the requirement of the provisions of the Companies Act and Regulation 21 of the Listing Regulations.

In FY19, the RMC met four times on the following dates:

(i) April 18, 2018 (ii) August 09, 2018 (iii) December 31, 2018

(iv) March 29, 2019

The composition of the RMC and the number of meetings held and attended by its members in FY19 were as follows:

| Name of the Member | Position | Category | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Dharam Chand Agarwal | Chairman | Independent Director | 4 | 4 |
| Mr. Bhairon Singh Solanki | Member | Independent Director | 4 | 4 |
| Mr. Rajendra Kumar Agarwal | Member | Managing Director and CEO | 4 | 4 |
| Mr. Nathu Lal Nama | Member | Chief Financial Officer | 4 | 4 |

The company secretary of the Company acts as secretary to the RMC.

The board at its meeting held on March 30, 2019, has reviewed the terms of reference of the RMC in order to remain compliant and to be in-line with provisions of the Listing Regulations and Companies Act and other SEBI regulations and amendments thereto. The terms of references and responsibilities of the RMC, inter alia, include the following:

- Review and monitor the risk management policy/plans, on annual basis;
- Review and monitor the Company's risk management practices and activities on a quarterly basis;
- Review and evaluate significant risk exposures of the Company and also assess management's plans or actions taken to mitigate the risks in a timely manner;
- Review the risks to the achievement of key business objectives covering growth, profitability, talent aspects, operational excellence and also assess management's plans/actions taken to mitigate these risks;
- Review the key operational risks (both supply of products and rendering of services);
- Review the potential risk in the areas of competitive position in key market segments, information security, high-risk projects, contracts management and financial risks;
- Review and approve risk disclosure statements in any public documents or disclosures;
- Lay down reasonable, sufficient and effective procedures to inform Board members about the risk assessment and minimization procedures;
- Share with the Board updates regarding all aspects of risk management, on regular basis;
- Ensure the risk framework along with risk assessment, monitoring, mitigation and reporting practices are adequate to effectively manage the foreseeable material risks;
- Assessment and review of cyber security risk including identification of various information assets that could be affected by a cyber attack (such as hardware, systems, server, laptops, customer data and intellectual property)*;
- Review/oversees/carryout any function as per requirement or stipulation set forth in any of the Company's codes of conduct, policies, articles of association, by-laws, rules and regulations*;
- Review/oversees/carryout any other function as per requirement or stipulation set forth in any statute or regulation or law*; and
- Carry out any other function(s) as assigned by the Board.

  *(Revised on March 30, 2019 and effective from April 01, 2019)

**(e) Corporate Social Responsibility Committee:**

The composition and terms of reference of the corporate social responsibility ('CSR') committee of the Company meet with the requirements of the Companies Act.

In FY19, the CSR committee met three times on the following dates:

(i) April 06, 2018 (ii) December 31, 2018 (iii) March 30, 2019

The composition of the CSR committee and the number of meetings held and attended by its members in FY19 were as follows:

| **Name of the Member** | **Position** | **Category** | **No. of Meetings** | |
|---|---|---|---|---|
| | | | **Held** | **Attended** |
| Mr. Ishwar Chand Agarwal | Chairman | Executive Chairman | 3 | 3 |
| Mr. Rajendra Kumar Agarwal | Member | Managing Director & CEO | 3 | 3 |
| Mr. Jitendra Kumar Agarwal | Member | Joint Managing Director | 3 | 3 |
| Mr. Dharam Chand Agarwal | Member | Independent Director | 3 | 3 |

The company secretary of the Company acts as secretary to the CSR committee.

The board at its meeting held on March 30, 2019, has reviewed the terms of reference of the CSR committee in order to remain compliant and to be in-line with provisions of the Listing Regulations and Companies Act and other SEBI regulations and amendments thereto. The terms of reference of the CSR committee, inter alia, include the following:

- Formulation and recommendation 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;
- Recommendation of the amount of expenditure to be incurred on the CSR activities;
- Monitor the implementation of the CSR Policy;
- Review/oversees/carryout any function as per requirement or stipulation set forth in any of the Company's codes of conduct, policies, articles of association, by-laws, rules and regulations; and
- Review/oversees/carryout any other function as per requirement or stipulation set forth in any statute or regulation or law.

**(f) Finance Committee:**

In FY19, the finance committee ('FC') met twelve times on the following dates:

| | | | |
|---|---|---|---|
| (i) April 09, 2018 | (ii) June 05, 2018 | (iii) June 16, 2018 | (iv) July 17, 2018 |
| (v) August 18, 2018 | (vi) August 31, 2018 | (vii) October 06, 2018 | (viii) December 26, 2018 |
| (ix) January 16, 2019 | (x) February 07, 2019 | (xi) March 05, 2019 | (xii) March 30, 2019 |

The composition of the FC and the number of meetings held and attended by its members in FY19 were as follows:

| **Name of the Member** | **Position** | **Category** | **No. of Meetings** | |
|---|---|---|---|---|
| | | | **Held** | **Attended** |
| Mr. Ishwar Chand Agarwal | Chairman | Executive Chairman | 12 | 12 |
| Mr. Rajendra Kumar Agarwal | Member | Managing Director & CEO | 12 | 12 |
| Mr. Jitendra Kumar Agarwal | Member | Joint Managing Director | 12 | 12 |

The company secretary of the Company acts as secretary to the FC. The SC meets as and when requirement arises.

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

- Borrow moneys and exercise all powers to borrow moneys (otherwise than by issue of debentures) not exceeding ₹2000 crore in aggregate at any time and taking all necessary actions connected therewith within the limit prescribed pursuant to provisions of Section 180 of Companies Act;
- Provide guarantee including performance guarantee, issue letter of comfort and providing securities and taking all necessary actions connected therewith (subject to compliances under Sections 185 and 186 of Companies Act);
- Review of banking arrangement and taking all necessary actions connected therewith including refinancing for optimization of borrowing costs (subject to overall limit of borrowing);
- Investment of the funds of the Company (subject to compliance of all applicable provisions of Companies Act);
- Review of the Company's financial policies, strategies and capital structure;
- Review of working capital and cash flow management; and
- Consider viability for issuance of new modes of securities including foreign funds subject to laws applicable.

**(g) Sales Committee:**

In FY19, the sales committee ('SC') met thirty times on the following dates:

| | | | | | |
|---|---|---|---|---|---|
| (i) | April 02, 2018 | (ii) | April 12, 2018 | (iii) | April 30, 2018 |
| (iv) | May 07, 2018 | (v) | May 21, 2018 | (vi) | May 28, 2018 |
| (vii) | June 02, 2018 | (viii) | June 28, 2018 | (ix) | June 30, 2018 |
| (x) | July 16, 2018 | (xi) | July 30, 2018 | (xii) | August 08, 2018 |
| (xiii) | August 18, 2018 | (xiv) | August 22, 2018 | (xv) | September 01, 2018 |
| (xvi) | September 03, 2018 | (xvii) | September 22, 2018 | (xviii) | September 29, 2018 |
| (xix) | October 12, 2018 | (xx) | October 22, 2018 | (xxi) | November 13, 2018 |
| (xxii) | November 24, 2018 | (xxiii) | December 06, 2018 | (xxiv) | December 14, 2018 |
| (xxv) | January 02, 2019 | (xxvi) | January 24, 2019 | (xxvii) | February 11, 2019 |
| (xxviii) | February 18, 2019 | (xxix) | March 06, 2019 | (xxx) | March 27, 2019 |

The composition of the SC and the number of meetings held and attended by its members in FY19 were as follows:

| Name of the Member | Position | Category | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Ishwar Chand Agarwal | Chairman | Executive Chairman | 30 | 30 |
| Mr. Rajendra Kumar Agarwal | Member | Managing Director & CEO | 30 | 30 |
| Mr. Jitendra Kumar Agarwal | Member | Joint Managing Director | 30 | 30 |

The company secretary of the Company acts as secretary of the SC. The SC meets as and when requirement arises.

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

- Review sales related matters;
- Formulate and review marketing strategies;
- Participate in tenders/bids floated by SEBs, Private Utilities, etc.;
- Sign, file, amend, alter and execute all forms, applications, agreements, affidavits or other documents with reference to Tenders/bids floated by SEBs, Private Utilities, Govt. / Public Authorities, etc. from time to time, on behalf of the Company and to do all such acts and things as may be necessary in connection therewith;
- Review or modify contracts / arrangements / agreements executed with SEBs, Private Utilities or other vendors on behalf of the Company;
- Take all necessary actions and do all such acts and things as may be necessary in connection with the execution of orders/LOI;
- Deal with SEBs, Private Utilities, Govt. / Public Authorities or other vendors on behalf of the Company in respect of execution of orders / LOI / contracts / agreements / arrangements and receipt of payments; and
- Sub-delegate all or any powers vested in it to other Officer/Officers of the Company or other person(s) as the Committee thinks fit and proper in the interest of the Company.

## 4. GENERAL BODY MEETINGS

**(a) The location, date and time of last three annual general meetings ('AGMs") are as under:**

| Year | Location | Date | Time |
|---|---|---|---|
| 2017-2018 | A-32A, Sector-62, Noida - 201309 (U.P.) | 21.09.2018 | 11.00 a.m. |
| 2016-2017 | A-32A, Sector-62, Noida - 201309 (U.P.) | 22.09.2017 | 11.00 a.m. |
| 2015-2016 | A-32A, Sector-62, Noida - 201309 (U.P.) | 08.09.2016 | 11.00 a.m. |

**(b) The details of the special resolutions passed in the previous three AGMs are as under:**

| AGM | Subject of Special Resolution |
|---|---|
| 26th (21.09.2018) | • Reappointment of Mr. Bhairon Singh Solanki as Independent Director<br>• Reappointment of Mr. Rameshwar Pareek as Independent Director<br>• Reappointment of Mr. Dharam Chand Agarwal as Independent Director<br>• Reappointment of Mr. Indraj Mal Bhutoria as Independent Director<br>• Reappointment of Mr. Udit Agarwal as Independent Director |
| 25th (22.09.2017) | • Increase in remuneration of Mr. Ishwar Chand Agarwal, Executive Chairman of the Company.<br>• Increase in remuneration of Mr. Rajendra Kumar Agarwal, Managing Director and Chief Executive Officer of the Company<br>• Increase in remuneration of Mr. Jitendra Kumar Agarwal, Joint Managing Director of the Company |
| 24th (08.09.2016) | • Reappointment of Mr. Rajendra Kumar Agarwal as Managing Director and Chief Executive Officer of the Company.<br>• Approval for payment of commission to the executive directors.<br>• Approval for payment of commission to the non-executive directors.<br>• Approval for the alteration of Articles of Association of the Company. |

**(c) Special resolution(s) passed last year through postal ballot:**

In FY19, no resolution was passed through postal ballot.

**(d) Special resolution(s) proposed to be conducted through postal ballot:**

No special resolution is proposed to be conducted through postal ballot on or before the ensuing annual general meeting of the Company.

**5. MEANS OF COMMUNICATION**

**Quarterly results:** The quarterly/half-yearly/annual financial results are published in 'Business Standard' newspaper and also displayed on the Company's website 'www.genuspower.com'.

**Official news releases:** Official news releases made by the Company from time to time are sent to stock exchanges and also displayed on the Company's website 'www.genuspower.com'.

**Presentations to institutional investors / analysts:** Presentations made, if any to the institutional investors and analysts, are uploaded on the Company's website 'www.genuspower.com'.

**Annual report:** Annual reports, notices and all other documents that are needed to be sent to the shareholders are sent via email to all those shareholders, who have registered their e-mail addresses to the depository participants and physical copies are sent to those shareholders who have not registered their email addresses or those who wish to get the physical copies of the aforesaid documents.

**Disclosure of material information:** Material developments relating to the Company that are potentially price sensitive in nature or which could impact continuity of publicly available information regarding the Company are disclosed to the stock exchanges in terms of the Company's policy for disclosure of material information and is also available on the Company's website 'www.genuspower.com'.

**Website:** The Company maintains a functional website 'www.genuspower.com' containing all basic information about the Company. It contains a separate section namely 'INVESTORS' for use of the investors. The financial results, annual reports, corporate governance reports/information, shareholding pattern, new releases and other corporate communications/information/forms/policies related to investors are promptly and prominently displayed on the Company's website. The Company has disseminated all information, where applicable and required under the provisions of Regulation 46(2) of the Listing Regulations. The details of unpaid/unclaimed dividends are also available in the Investor section, to facilitate shareholders to claim the same.

**NSE Electronic Application Processing System ('NEAPS'):** All periodical compliance related filings like financial results, shareholding pattern, corporate governance reports, etc. are filed electronically on NEAPS.

**BSE Corporate Compliance & Listing Centre ('Listing Centre'):** All periodical compliance filings like financial results, shareholding pattern, corporate governance reports, etc. are filed electronically on the Listing Centre.

**Email ID for investors:** The Company has designated a separate email id 'cs@genus.in' to serve the investor exclusively and the same is prominently displayed on the Company`s website 'www.genuspower.com'.

## 6. GENERAL SHAREHOLDERS INFORMATION

**(a) 27th annual general meeting**

Date : Friday, September 06, 2019

Time : 11:00 a.m.

Venue : Jaipuria Institute of Management, A-32A, Sector-62, Opp. IBM, Noida-201309 (Uttar Pradesh).

**(b) Financial year:** April 01 to March 31

**(c) Tentative calendar for financial reporting in FY20**

- First quarter ending June 30, 2019 : In July 2019
- Second Quarter ending September 30, 2019 : In October 2019
- Third Quarter ending December 31, 2019 : In January, 2020
- Year ending March 31, 2020 : In May, 2020

**(d) Dates of book closure:** From Saturday, August 31, 2019 to Friday, September 06, 2019 (both days inclusive) for the purpose of AGM and payment of dividend.

**(e) Proposed dividend for FY19:** ₹ 0.58 per equity share of the face value of ₹ 1 each.

**(f) Dividend payment date:** Subject to the provisions of the Companies Act, dividend as recommended by the board, if declared at the ensuing annual general meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the register of members as on Friday, August 30, 2019. The dividend, if approved, will be paid on or before October 05, 2019.

**(g) Listing on stock exchanges and stock codes:** The equity shares of the Company are listed and traded at the following stock exchanges:

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

The Company has already paid the annual listing fee to BSE and NSE and the annual custody fee to National Securities Depository (India) Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), for the FY20.

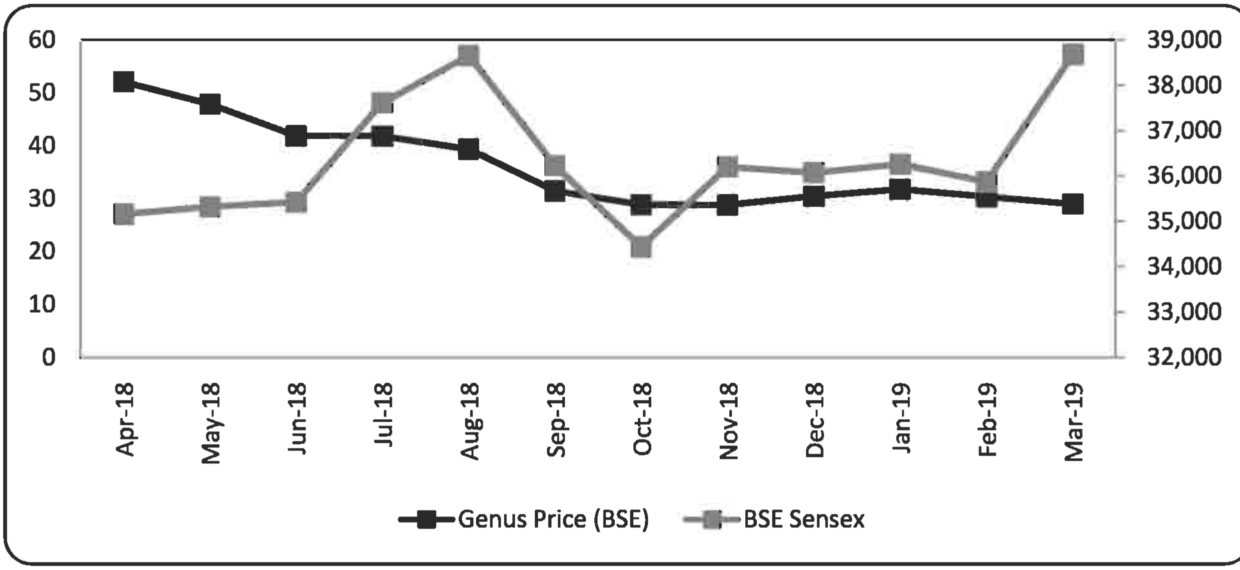
**(h) International Securities Identification Number (ISIN) of equity shares:** INE955D01029

**(i) Corporate Identity Number (CIN):** L51909UP1992PLC051997

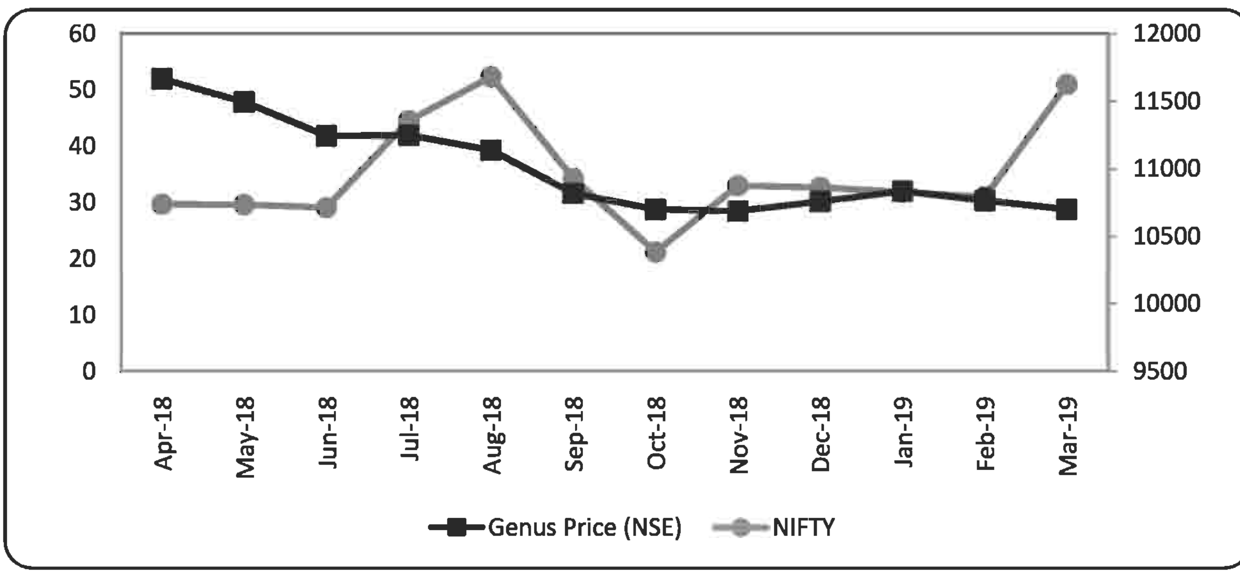
**(j) Market Price Data - High and Low quotations of equity shares on BSE and NSE during each month in the last financial year:**

| Month | BSE | | | NSE | | |
|---|---|---|---|---|---|---|
| | High (₹) | Low (₹) | Volume (Nos.) | High (₹) | Low (₹) | Volume (Nos.) |
| April, 2018 | 61.65 | 51.10 | 1889408 | 61.75 | 50.75 | 11923554 |
| May, 2018 | 52.90 | 43.15 | 1046233 | 53.25 | 43.40 | 8424913 |
| June, 2018 | 48.50 | 37.60 | 610526 | 48.55 | 37.60 | 8224069 |
| July, 2018 | 43.30 | 38.00 | 530821 | 43.55 | 37.80 | 5162299 |
| August, 2018 | 46.40 | 39.25 | 881530 | 46.25 | 39.05 | 6723904 |
| September, 2018 | 40.55 | 28.90 | 513273 | 40.75 | 28.50 | 3671125 |
| October, 2018 | 32.60 | 23.00 | 869694 | 32.50 | 22.90 | 6739438 |
| November, 2018 | 33.45 | 28.50 | 232279 | 33.25 | 28.00 | 2270257 |
| December, 2018 | 32.00 | 27.25 | 422693 | 32.20 | 26.40 | 5716050 |
| January, 2019 | 33.40 | 28.00 | 2641295 | 33.45 | 28.00 | 10225201 |
| February, 2019 | 32.45 | 28.85 | 312125 | 32.50 | 28.80 | 3028107 |
| March, 2019 | 34.95 | 28.35 | 1163544 | 34.80 | 28.25 | 7237004 |

(1) **Performance of the share price of the Company in comparison to BSE SENSEX (Comparison of closing price to index value on the last date of respective months):**




(2) **Performance of the share price of the Company in comparison to NSE NIFTY (Comparison of closing price to index value on the last date of respective months):**




**(k) Registrar and Share Transfer Agent ('RTA'):**

M/s. Niche Technologies Pvt. Ltd.

3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata – 700017

Tel.: (033) 22806616/6617/6618, Fax: (033) 22806619

E-mail: nichetechpl@nichetechpl.com

Website - www.nichetechpl.com

**(l) Share transfer system:**

As per SEBI norms, securities of the listed companies can be transferred (except in case of transmission or transposition) only in the dematerialized form. Accordingly with effect from April 1, 2019 (or such other date as may be notified), only transmission or transposition requests for transfer of securities shall be processed in physical form. All other transfers shall be processed in dematerialised form only. The

Company has sent reminders to shareholders holding shares in physical form to dematerialise their shares promptly to avoid inconvenience. The procedure for dematerialisation has been published on the Company's website at "https://genuspower.com/investor-category/investor-information/".

In FY19, the RTA of the Company has processed and completed/returned transfer of shares, lodged in physical form, within the stipulated time, subject to the documents being valid and complete in all respects. The RTA of the Company has fully computerized system for the share related activities and also to attend to all the delegated matters, timely and appropriately. In compliance of Regulation 40(9) of the Listing Regulations, a certificate, received from a practicing company secretary confirming that share certificates relating to the share transfer form or for exchange of duplicate and split certificates have been issued within one month of the date of lodgment, has been submitted to stock exchanges within stipulated time.

Shares held in the dematerialized form are electronically transferred / traded through the depositories with no involvement of the Company. The RTA of the Company periodically receives details of the beneficiary from the depositories to update their records and to send all corporate communications or entitlements to the respective shareholder.

The details of shares transfer, transmission, duplicate issue, replacement, rematerialisation and dematerialisation, if any in FY19 are as follows:

| Particulars | No. of Requests | No. of Shares |
|---|---|---|
| Transfer of shares | 20 | 8025 |
| Transmission of shares | 29 | 113000 |
| Rematerialisation of shares | 2 | 13000 |
| Dematerialisation of shares | 44 | 236007 |
| Replacement of share certificates | 26 | 100000 |
| Change in name | 7 | 69000 |

As per SEBI norms, the Company has also sent letters to shareholders, whose ledger folios do not have/have incomplete details with respect to PAN and Bank Account, to furnish their Permanent Account Number (PAN) and bank account details to update the same in the members' register. Shareholders are requested to update these details at the earliest.

**(m) Distribution of shareholdings:** The distribution of shareholdings as on March 31, 2019 is as follows:

| Share Holding | Share Holders | | Share Holding | |
|---|---|---|---|---|
| | Number | % to Total | Number of Shares | % to Total |
| 1 – 500 | 24638 | 71.68 | 3950741 | 1.54 |
| 501 – 1000 | 3984 | 11.59 | 3393829 | 1.32 |
| 1001 – 5000 | 4320 | 12.57 | 10634665 | 4.13 |
| 5001 – 10000 | 678 | 1.97 | 5311414 | 2.06 |
| 10001 – 50000 | 569 | 1.66 | 11908059 | 4.63 |
| 50001 – 100000 | 79 | 0.23 | 5728353 | 2.23 |
| 100001 and above | 102 | 0.30 | 216431904 | 84.09 |
| **TOTAL** | **34370** | **100.00** | **257358965** | **100.00** |

The shareholding pattern of equity shares as on March 31, 2019 is as follows:

| S.No. | Category of shareholder | Number of shareholders | Total number of shares | As a percentage of (A+B+C) |
|---|---|---|---|---|
| (A) | Promoter and Promoter Group | | | |
| 1 | Indian | 41 | 129886109 | 50.47 |
| 2 | Foreign | NIL | NIL | NIL |
| | Total Promoter and Promoter Group (A) | 41 | 129886109 | 50.47 |

| S.No. | Category of shareholder | Number of shareholders | Total number of shares | As a percentage of (A+B+C) |
|---|---|---|---|---|
| (B) | Public | | | |
| 1 | Institutions | 10 | 23664314 | 9.20 |
| 2 | Non-institutions | 34319 | 103808542 | 40.34 |
| | Total Public (B) | 34329 | 127472856 | 49.53 |
| (C) | Shares held by Custodians and against which Depository | | | |
| | Receipts have been issued (C) | NIL | NIL | NIL |
| | **TOTAL (A) + (B) + (C)** | **34370** | **257358965** | **100.00** |

Note: The Company has only one class of equity shares (i.e. equity share of face value of ₹ 1 each.)

**(n) Dematerialisation of shares and liquidity:**

The equity shares of the Company are compulsorily traded in dematerialised form. The details of mode of holding as on March 31, 2019 are as under:

| S. No. | Mode of Holding | Holding (Nos.) | Holding (%) |
|---|---|---|---|
| 1. | Shares held in dematerialised form in NSDL | 220825940 | 85.80 |
| 2. | Shares held in dematerialised form in CDSL | 34165711 | 13.28 |
| 3. | Shares held in Physical Form | 2367314 | 0.92 |
| | Total | 257358965 | 100.00 |

254991651 equity shares, in aggregate forming 99.08 % of the equity share capital of the Company, have been dematerialised up to March 31, 2019. The equity shares of the Company are actively and regularly traded in BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

**(o) Outstanding GDR/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity:**

As on March 31, 2019, the Company has no outstanding GDRs / ADRs / warrants or any convertible instruments, except employee stock options. In FY19, the Company has granted 2416065 stock options to the eligible employees of the Company under the Employees' Stock Option Scheme-2012 (ESOS-2012) ('ESOP Scheme') of the Company. The Company has 2571219 stock options in force as on March 31, 2019, which would vest over a maximum period of 6 years or such other period as may be decided by the nomination and remuneration committee from the date of grant based on specified criteria and as per the Employees Stock Option Scheme-2012 of the Company. Assuming, all the stock options are converted into equity shares, the number of equity shares available for trading in the stock exchanges would go up by further 2571219 equity shares of face value of ₹ 1 each.

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

Pursuant to the provisions of Section 124 of the Companies Act, in FY19, a sum of ₹241221/- (dividend declared for the FY11 and being unpaid/unclaimed for a period of seven years), has been transferred to the investor education and protection fund (IEPF), established under Sub-section (1) of Section 125 of the Companies Act, 2013. The cumulative amount transferred to IEPF up to March 31, 2019 is ₹4648467/-. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 21, 2018 (date of last AGM) on the website of the Company "https://genuspower.com/investor-category/investor-information/".

**(q) SEBI complaints redress system (SCORES):**

SEBI provides a centralised web-based complaint redress system (SCORES) to enables investors to lodge and follow up complaints and track the status of redressal online at www.scores.gov.in. The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES. The Company uploads the action taken on the complaint which can be viewed by the shareholder. In FY19, the Company received 2 investor complaints through SCORES, all of which were responded and resolved in time and satisfactorily.

**(r) Location of plants and R&D centre:**

| S. No. | Address |
|---|---|
| 1 | SPL-3 & 2A, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur-302022 (Rajasthan), (India) (R&D Centre) |
| 2 | Plot No. SP-1-2317, Ramchandrapura Industrial Area, Sitapura Extension, Jaipur-302022 (Rajasthan), (India) |
| 3 | Plot No. 12, Sector-4, IIE, SIDCUL, Haridwar-249403 (Uttarakhand), (India) |
| 4 | Plot No.9 & 10, Sector-2, SIDCUL, Haridwar-249407 (Uttarakhand), (India) |
| 5 | Plot No.104, Brahmaputra Industrial Park, Amingaon, Village-Sila Sinduri Ghopa, District-Kamrup (R), Assam-781031, (India) |

**(s) List of all credit ratings obtained along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad:**

Details of credit ratings obtained by the Company are given the directors' report.

**(t) Address for correspondence:**

**(i) For transfer / transmission / duplicate / replacement / dematerialisation / rematerialisation of shares and any other query relating to the shares certificate:**

- **For Securities held in physical form:**

  M/s. Niche Technologies Pvt. Ltd.

  (Registrar & Share Transfer Agent)

  Unit: Genus Power Infrastructures Limited

  3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata – 700 017

  Tel.: (033) 22806616/6617/6618, Fax: (033) 22806619

  E-mail: nichetechpl@nichetechpl.com

  Website - www.nichetechpl.com

- **For Securities held in demat form**

  To the investors' Depository Participant(s) and/or M/s. Niche Technologies Private Limited

**(ii) For queries/complaints relating to non-receipt of annual reports / dividend or other investor's grievances/queries:**

The Company Secretary,

Genus Power Infrastructures Limited

SPL-3, RIICO Industrial Area, Sitapura, Tonk Road,

Jaipur-302022, Rajasthan, India

Telephone Nos.: (0141) 7102412

Designated E-mail: cs@genus.in

**(u) Commodity price risk or foreign exchange risk and hedging activities:**

In FY19, the Company was exposed to foreign exchange risk through its sales and services in overseas markets and purchases from overseas suppliers in various foreign currencies. The Company managed and controlled such risk through its comprehensive forex risk management policy. The Company continued to use foreign exchange forward and option contracts to hedge such exposures from time to time keeping in mind the position of rupee in the market vis-a-vis foreign currency.

As such, the Company is not materially exposed to commodity price risk, and hence the disclosure in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018, is not applicable.

## 7. DISCLOSURES

**(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

As per the provisions of the Companies Act and the Listing Regulations, the Company has framed and adopted a policy on related party transactions to describe and deal with related party transactions including materially significant related party transactions. The policy has been disclosed on the website of the Company and its web link is "https://genuspower.com/investor-category/corporate-governance/".

All related party transactions are approved by the audit committee prior to the transaction entered into. Related party transactions of repetitive nature are approved by the audit committee on omnibus basis for one financial year at a time. The audit committee satisfies itself regarding the need for omnibus approval and ensures compliance with the requirements of the Listing Regulations and the Companies Act. All omnibus approvals are reviewed by the Audit Committee on a quarterly basis.

In FY19, there were no materially significant related party transactions that may have potential conflict with the interests of Company at large. A confirmation with regard to compliance of related party transactions as per the Listing Regulations is also sent to the stock exchanges along with the quarterly compliance report on corporate govemance. The disclosure of related party transactions is also set out in notes to the financial statements in accordance with IND AS. Pursuant to Regulation 23(9) of the Listing Regulations, the Company has submitted disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results, to the stock exchanges and published the same on its website.

**(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the securities and exchange board of India or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has complied with the requirements of the listing agreement with the stock exchanges as well as the applicable regulations and guidelines of SEBI, during the last three years. All information / returns / reports were submitted with stock exchanges / other authorities within stipulated time. No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any other statutory authorities on matters relating to capital market during the last three years.

**(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:**

Pursuant to provisions of the Companies Act, and Regulation 22 of the Listing Regulations, the Company has formulated and adopted whistleblower policy and vigil mechanism for its directors and employees to report to the vigilance officer / chairperson of the audit committee about unethical behavior, malpractices, wrongful conduct, fraud, violation of company's code of conduct without fear of reprisaL Under this mechanism all reporting are seriously responded and also investigated, if required. Investigations/inquiries are done by the vigilance officer either by himself/herself or by involving any other officer / committee constituted for the same / an outside agency before referring the matter to the audit committee. If an investigation leads to a conclusion that an improper or unethical act has been committed, the chairperson of the audit committee recommends to the management to take such disciplinary or corrective action as it may deem fit. The Company takes appropriate action against such employee whose action is found to violate the code or any other policy of the company, after giving him a reasonable opportunity of being heard. The vigil mechanism provides for adequate safeguards against victimization of whistleblower, who avail the mechanism. The vigil mechanism also provides for direct access to the chairperson of the audit committee in appropriate or exceptional cases. The whistleblower and vigilance policy has been disclosed on the website of the Company and its web link is "https://genuspower.com/investor-category/corporate-governance/".

It is affirmed that no personnel has been denied access to the audit committee.

**(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all the mandatory requirements of corporate governance as specified in the Listing Regulations and the Companies Act. The Company has also adopted the following discretionary requirements as specified in Part E of Schedule II to the Listing Regulations:

(i) The intemal auditor may report directly to the audit committee.

(ii) The Company has constituted the risk management committee.

**(e) Web link where policy for determining material subsidiaries is disclosed:**

"https://genuspower.com/investor-category/corporate-governance/"

**(f) Web link where policy on dealing with related party transactions is disclosed:**

"https://genuspower.com/investor-category/corporate-governance/"

**(g) Disclosure with respect to share in the demat suspense account / unclaimed suspense account:**

The Company does not have any unclaimed share in demat suspense account or unclaimed suspense account.

**(h) Disclosure with respect to transfer/transmission of share IEPF Authority:**

In accordance with provision of Section 124(6) of the Companies Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, in FY19, the Company has transferred/transmitted 105225 equity shares in the name of the Investor Education and Protection Fund (IEPF) Authority, in respect of which dividend has not been paid or claimed for seven consecutive years or more.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at "https://genuspower.com/investor-category/investor-information/"

**(i) Reconciliation of share capital audit:**

As per SEBI norms, a qualified practicing chartered accountant has carried out a share capital audit of the Company to reconcile the total admitted equity share capital of the Company with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The said audit confirmed that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form. The said audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The said report is also placed before the board of the Company.

**(j) Accounting treatment in preparation of the financial statements:**

In the preparation of financial statements for FY19, the Company has followed the Indian Accounting Standards (Ind AS), notified by the Government of India under Section 133 of the Companies Act read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 as amended, the guidelines issued by SEBI and other accounting principles generally accepted in India. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

**(k) Dividend policy:**

The Company has in place a dividend distribution policy, which has also been displayed on the website of the Company at www.genuspower.com and its web link is "https://genuspower.com/investor-category/corporate-governance/". The dividend distribution policy is attached to the directors' report.

**(l) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

Not Applicable

**(m) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:**

Annexed herewith as a part of this report.

**(n) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

The details relating to fees paid to the statutory auditors are given in note number 37 to the standalone financial statements and note number 37 to the consolidated financial statements.

**(o) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

(a) number of complaints filed during the financial year: Nil

(b) number of complaints disposed of during the financial year: Nil

(c) number of complaints pending as on March 31, 2019: Nil

For and on behalf of the Board of Directors

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, July 25, 2019

# Declaration from Chief Executive Officer as stipulated in Clause D of Schedule V (Annual Report) to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Board of Directors,

Genus Power Infrastructures Limited,

Dear Sirs,

I hereby confirm that the members of board of directors and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for Directors and Senior Management Personnel.

Yours sincerely,

**(Rajendra Kumar Agarwal)**
Managing Director & CEO
DIN:00011127

Jaipur, May 11, 2019

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# CERTIFICATE

## (As stipulated in Clause C(10)(i) of Schedule V: Annual Report to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by Genus Power Infrastructures Limited, having its Registered office at G-14, Sector-63, Noida, Uttar Pradesh-201307 and Corporate Office at SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur-302022, Rajasthan and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

For **ROHIT JAIN & ASSOCIATES**
COMPANY SECRETARIES

**ROHIT KUMAR JAIN**
(Proprietor)
ACS NO A52016, CP NO 19405

Place: Jaipur
Date: May 11, 2019

**'Annexure-G' to the Directors' Report**

(Form No. MGT-9)

# Extract of Annual Return

as on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

| | | | |
|---|---|---|---|
| i) | CIN | : | L51909UP1992PLC051997 |
| ii) | Registration Date | : | August 06, 1992 |
| iii) | Name of the Company | : | Genus Power Infrastructures Limited |
| iv) | Category / Sub-Category of the Company | : | Public Limited Company |
| v) | Address of the Registered office and contact details | : | G-14, Sector-63, Noida,<br>Uttar Pradesh-201307 (India)<br>Telefax: +91-120-4227116<br>E-mail: cs@genus.in<br>Website: www.genuspower.com |
| vi) | Whether listed company | : | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent | : | Niche Technologies Private Limited<br>3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata-700 017<br>Tel: (033) 22806616/6617/6618<br>Fax: (033) 22806619<br>E-mail: nichetechpl@nichetechpl.com<br>Website: www.nichetechpl.com |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company are given below:-

| S. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Electronic Energy Meter | 26513 | 90.37 |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | M.K.J. Manufacturing Pvt. Ltd.,<br>A-12, Mohan Cooperative Industrial Estate,<br>Sarita Vihar, New Delhi- 110044 | U74899DL1994PTC061902 | Associate | 50.00 | 2(6) |
| 2 | Greentech Mega Food Park Limited,<br>Village & Tehsil, Roopangarh, Bhadun Road,<br>Roopangarh, Ajmer – 305814 | U45201RJ2012PLC039560 | Associate | 24.75 | 2(6) |

**IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity):**

**i) Category-wise share holding:**

| Category of shareholders | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. PROMOTERS | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual / HUF | 69774882 | 0 | 69774882 | 27.12 | 69774882 | 0 | 69774882 | 27.11 | -0.01 |
| b) Central Government | | | | | | | | | |
| c) State Government | | | | | | | | | |
| d) Bodies Corporate | 60111227 | 0 | 60111227 | 23.37 | 60111227 | 0 | 60111227 | 23.36 | -0.01 |
| e) Banks / Financial Institutions | | | | | | | | | |
| f) Any Other | | | | | | | | | |
| Sub-total (A)(1) | 129886109 | 0 | 129886109 | 50.49 | 129886109 | 0 | 129886109 | 50.47 | -0.02 |
| (2) Foreign | | | | | | | | | |
| a) NRIs – Individuals | | | | | | | | | |
| b) Other – Individuals | | | | | | | | | |
| c) Bodies Corporate | | | | | | | | | |
| d) Banks / Financial Institutions | | | | | | | | | |
| e) Any Other | | | | | | | | | |
| Sub-total (A)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoter (A) = (A)(1)+(A)(2) | 129886109 | 0 | 129886109 | 50.49 | 129886109 | 0 | 129886109 | 50.47 | -0.02 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 21014666 | 1000 | 21015666 | 8.17 | 18819266 | 1000 | 18820266 | 7.31 | -0.86 |
| b) Banks / Financial Institutions | 229038 | 2000 | 231038 | 0.09 | 318439 | 2000 | 320439 | 0.12 | 0.03 |
| c) Central Governments | | | | | | | | | |
| d) State Governments | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) Foreign Institutional Investors (FII) | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (Specify) | | | | | | | | | |
| FPI - Corporate Cat-II | 1553520 | 0 | 1553520 | 0.60 | 1313110 | 0 | 1313110 | 0.51 | -0.09 |
| FPI - Corporate Cat-III | 2710499 | 0 | 2710499 | 1.05 | 3210499 | 0 | 3210499 | 1.24 | 0.19 |
| Sub-total (B)(1) | 25507723 | 3000 | 25510723 | 9.91 | 23661314 | 3000 | 23664314 | 9.18 | -0.73 |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 12366779 | 13000 | 12379779 | 4.81 | 9235147 | 3000 | 9238147 | 3.59 | -1.22 |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs 2 lakh | 25343041 | 1946321 | 27289362 | 10.61 | 32318180 | 1680314 | 33998494 | 13.21 | 2.60 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 56194842 | 0 | 56194842 | 21.85 | 53788522 | 0 | 53788522 | 20.90 | -0.95 |
| c) Others Specify | | | | | | | | | |
| 1. NRI | 2107943 | 715000 | 2822943 | 1.10 | 2512397 | 681000 | 3193397 | 1.24 | 0.14 |
| 2. Overseas Corporate Bodies | | | | | | | | | |
| 3. Foreign Nationals | | | | | | | | | |
| 4. Clearing Members | 2265296 | 0 | 2265296 | 0.88 | 2604480 | 0 | 2604480 | 1.02 | 0.14 |
| 5. Trusts | | | | | | | | | |
| 6. IEPF Authority | 880277 | 0 | 880277 | 0.35 | 985502 | 0 | 985502 | 0.39 | 0.04 |
| 7. Foreign Bodies - D.R. | | | | | | | | | |
| Sub-total (B)(2) | 99158178 | 2674321 | 101832499 | 39.60 | 101444228 | 2364314 | 103808542 | 40.35 | 0.75 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 124665901 | 2677321 | 127343222 | 49.51 | 125105542 | 2367314 | 127472856 | 49.53 | 0.02 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 254552010 | 2677321 | 257229331 | 100.00 | 254991651 | 2367314 | 257358965 | 100 | 0.00 |

**ii) Shareholding of promoters:**

| Sl. No. | Shareholder's name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | |
| 1 | AMIT AGARWAL (HUF) | 146150 | 0.06 | 0.00 | 146150 | 0.06 | 0.00 | 0.00 |
| 2 | AMIT KUMAR AGARWAL | 3416076 | 1.33 | 0.00 | 3416076 | 1.33 | 0.00 | 0.00 |
| 3 | AMRIT LAL TODI | 3206000 | 1.25 | 0.00 | 3206000 | 1.25 | 0.00 | 0.00 |
| 4 | AMRIT LAL TODI (HUF) | 1704500 | 0.66 | 0.00 | 1704500 | 0.66 | 0.00 | 0.00 |
| 5 | ANAND TODI | 2991870 | 1.16 | 0.00 | 2991870 | 1.16 | 0.00 | 0.00 |
| 6 | ANAND TODI (HUF) | 398000 | 0.15 | 0.00 | 398000 | 0.15 | 0.00 | 0.00 |
| 7 | ANJU AGARWAL | 152841 | 0.06 | 0.00 | 152841 | 0.06 | 0.00 | 0.00 |
| 8 | ASHUTOSH TODI | 114000 | 0.04 | 0.00 | 114000 | 0.04 | 0.00 | 0.00 |
| 9 | BALDEV KUMAR AGARWAL | 508000 | 0.20 | 0.00 | 508000 | 0.20 | 0.00 | 0.00 |
| 10 | BALDEV KUMAR AGARWAL (HUF) | 1520000 | 0.59 | 0.00 | 1520000 | 0.59 | 0.00 | 0.00 |
| 11 | BANWARI LAL TODI | 3660160 | 1.42 | 0.00 | 3660160 | 1.42 | 0.00 | 0.00 |
| 12 | BANWARI LAL TODI (HUF) | 309280 | 0.12 | 0.00 | 309280 | 0.12 | 0.00 | 0.00 |
| 13 | CRG TRADING AND FINVEST (P) LTD. | 3750210 | 1.46 | 0.00 | 3750210 | 1.46 | 0.00 | 0.00 |
| 14 | GENUS INNOVATION LIMITED | 4769600 | 1.85 | 0.00 | 4769600 | 1.85 | 0.00 | 0.00 |
| 15 | GENUS INTERNATIONAL COMMODITIES LIMITED | 4205000 | 1.64 | 0.00 | 4205000 | 1.63 | 0.00 | 0.01 |
| 16 | HI - PRINT ELECTROMACK PRIVATE LIMITED | 5574300 | 2.17 | 0.00 | 5574300 | 2.17 | 0.00 | 0.00 |
| 17 | HIMANSHU AGRAWAL | 6508136 | 2.53 | 0.00 | 6508136 | 2.53 | 0.00 | 0.00 |
| 18 | IC FINANCE PRIVATE LTD | 112800 | 0.04 | 0.00 | 112800 | 0.04 | 0.00 | 0.00 |
| 19 | ISHWAR CHAND AGARWAL | 10425801 | 4.05 | 0.00 | 10425801 | 4.05 | 0.00 | 0.00 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 20 | ISHWAR CHAND AGARWAL (HUF) | 402920 | 0.16 | 0.00 | 402920 | 0.16 | 0.00 | 0.00 |
| 21 | JITENDRA AGARWAL | 3634256 | 1.41 | 0.00 | 3634256 | 1.41 | 0.00 | 0.00 |
| 22 | KAILASH CHANDRA AGARWAL | 13298356 | 5.17 | 32.33 | 13298356 | 5.17 | 51.51 | 0.00 |
| 23 | KAILASH CHANDRA AGARWAL (HUF) | 1245600 | 0.48 | 0.00 | 1245600 | 0.48 | 0.00 | 0.00 |
| 24 | KAILASH COAL AND COKE COMPANY LIMITED | 7926000 | 3.08 | 0.00 | 7926000 | 3.08 | 0.00 | 0.00 |
| 25 | KAILASH INDUSTRIES LIMITED | 9961560 | 3.87 | 0.00 | 9961560 | 3.87 | 0.00 | 0.00 |
| 26 | KAILASH VIDYUT AND ISPAT LIMITED | 75000 | 0.03 | 0.00 | 75000 | 0.03 | 0.00 | 0.00 |
| 27 | MANJU DEVI TODI | 374040 | 0.14 | 0.00 | 374040 | 0.14 | 0.00 | 0.00 |
| 28 | MONISHA AGARWAL | 1590391 | 0.62 | 0.00 | 1590391 | 0.62 | 0.00 | 0.00 |
| 29 | NARAYAN PRASAD TODI (HUF) | 1279000 | 0.50 | 0.00 | 1279000 | 0.50 | 0.00 | 0.00 |
| 30 | NARAYAN PRASAD TODI | 1203600 | 0.47 | 0.00 | 1203600 | 0.47 | 0.00 | 0.00 |
| 31 | PARUL AGARWAL | 807000 | 0.31 | 0.00 | 807000 | 0.31 | 0.00 | 0.00 |
| 32 | PHOOS RAJ TODI | 668000 | 0.26 | 0.00 | 668000 | 0.26 | 0.00 | 0.00 |
| 33 | PHOOS RAJ TODI (HUF) | 759400 | 0.29 | 0.00 | 759400 | 0.29 | 0.00 | 0.00 |
| 34 | RAJENDRA AGARWAL | 3550485 | 1.38 | 0.00 | 3550485 | 1.38 | 0.00 | 0.00 |
| 35 | RAJENDRA KUMAR AGARWAL (HUF) | 432000 | 0.17 | 0.00 | 432000 | 0.17 | 0.00 | 0.00 |
| 36 | RUBAL TODI | 904400 | 0.35 | 0.00 | 904400 | 0.35 | 0.00 | 0.00 |
| 37 | SEEMA TODI | 820600 | 0.32 | 0.00 | 820600 | 0.32 | 0.00 | 0.00 |
| 38 | SHANTI DEVI AGARWAL | 1610000 | 0.63 | 0.00 | 1610000 | 0.63 | 0.00 | 0.00 |
| 39 | SHARDA TODI | 1383000 | 0.54 | 0.00 | 1383000 | 0.54 | 0.00 | 0.00 |
| 40 | SIMPLE AGARWAL | 751020 | 0.29 | 0.00 | 751020 | 0.29 | 0.00 | 0.00 |
| 41 | VIVEKSHIL DEALERS PVT. LTD. | 23736757 | 9.23 | 0.00 | 23736757 | 9.22 | 0.00 | 0.01 |
| | TOTAL | 129886109 | 50.48 | 3.31 | 129886109 | 50.46 | 5.27 | 0.02 |

**iii) Change in promoters' shareholding:** There is no change in promoters' shareholding in FY19.

| Sl. No. | Name of shareholder | Shareholding | | Change during the year | | | Cumulative shareholding during the year (01-04-18 to 31-03-19) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares at the beginning (01-04-18) / end of the year (31-03-19) | % of total shares of the company | As on benpos date | Increase / decrease in share-holding | Reason | No. of Shares | % of total shares of the company |
| Total Promoters' shareholding (at beginning of the year) | | 129886109 | 50.469 | | | | 129886109 | 50.469 |
| Total Promoters' shareholding (at the end of the year) | | 129886109 | 50.469 | | | | | |

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | Name of shareholder | Shareholding | | Change during the year | | | Cumulative shareholding during the year (01-04-18 to 31-03-19) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares at the beginning (01-04-18) / end of the year (31-03-19) | % of total shares of the company | As on benpos date* | Increase / decrease in shareholding | Reason | No. of Shares | % of total shares of the company |
| 1 | AJAY UPADHYAYA | 3873000 | 1.506 | | | | | |
| | | | | 13.04.2018 | -113000 | Transfer | 3760000 | 1.461 |
| | | | | 20.04.2018 | -3060000 | Transfer | 700000 | 0.272 |
| | | | | 14.09.2018 | 3060000 | Transfer | 3760000 | 1.461 |
| | | | | 29.09.2018 | -60000 | Transfer | 3700000 | 1.438 |
| | | | | 05.10.2018 | -50000 | Transfer | 3650000 | 1.418 |
| | | 3650000 | 1.418 | | | | | |
| 2 | AKASH BHANSHALI | 2021790 | 0.786 | | | | | |
| | | | | | No Change | | | |
| | | 2021790 | 0.786 | | | | | |
| 3 | COHESION INDIA BEST IDEAS (MASTER) FUND | 2710499 | 1.054 | | | | | |
| | | | | 06.04.2018 | 300000 | Transfer | 3010499 | 1.170 |
| | | | | 04.05.2018 | 200000 | Transfer | 3210499 | 1.247 |
| | | 3210499 | 1.247 | | | | | |
| 4 | LATA BHANSHALI | 1921530 | 0.747 | | | | | |
| | | | | | No Change | | | |
| | | 1921530 | 0.747 | | | | | |
| 5 | MADHULIKA AGARWAL | 2734878 | 1.063 | | | | | |
| | | | | 20.04.2018 | -1460000 | Transfer | 1274878 | 0.495 |
| | | | | 27.04.2018 | -340000 | Transfer | 934878 | 0.363 |
| | | | | 15.06.2018 | -786989 | Transfer | 147889 | 0.057 |
| | | | | 27.07.2018 | -95293 | Transfer | 52596 | 0.020 |
| | | | | 03.08.2018 | -52596 | Transfer | 0 | 0.000 |
| | | 0 | 0.00 | | | | | |
| 6 | MANGAL BHANSHALI | 2150000 | 0.836 | | | | | |
| | | | | | No Change | | | |
| | | 2150000 | 0.836 | | | | | |
| 7 | PAYAL BHANSHALI | 2070880 | 0.805 | | | | | |
| | | | | | No Change | | | |
| | | 2070880 | 0.805 | | | | | |
| 8 | RELIANCE CAPITAL TRUSTEE CO. LTD-A/C REL | 13046078 | 5.072 | | | | | |
| | | | | 06.04.2018 | 100000 | Transfer | 13146078 | 5.108 |
| | | | | 04.05.2018 | 100000 | Transfer | 13246078 | 5.147 |
| | | | | 25.01.2019 | 50000 | Transfer | 13296078 | 5.166 |
| | | | | 08.02.2019 | 292072 | Transfer | 13588150 | 5.280 |
| | | | | 15.02.2019 | 99018 | Transfer | 13687168 | 5.318 |
| | | | | 22.02.2019 | 100982 | Transfer | 13788150 | 5.358 |
| | | | | 08.03.2019 | -365900 | Transfer | 13422250 | 5.215 |
| | | | | 15.03.2019 | -38424 | Transfer | 13383826 | 5.200 |
| | | 13383826 | 5.200 | | | | | |
| 9 | UTI - DUAL ADVANTAGE FIXED TERM FUND SER | 7266033 | 2.825 | | | | | |
| | | | | 06.04.2018 | 46967 | Transfer | 7313000 | 2.842 |
| | | | | 13.04.2018 | 621 | Transfer | 7313621 | 2.842 |
| | | | | 20.04.2018 | 131030 | Transfer | 7444651 | 2.893 |
| | | | | 27.04.2018 | 1421534 | Transfer | 8866185 | 3.445 |
| | | | | 18.05.2018 | 1000003 | Transfer | 9866188 | 3.834 |
| | | | | 15.06.2018 | 882163 | Transfer | 10748351 | 4.176 |
| | | | | 30.06.2018 | 48164 | Transfer | 10796515 | 4.195 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 03.08.2018 | -320334 | Transfer | 10476181 | 4.071 |
| | | | | 10.08.2018 | -400000 | Transfer | 10076181 | 3.915 |
| | | | | 05.10.2018 | 43578 | Transfer | 10119759 | 3.932 |
| | | | | 21.12.2018 | -188169 | Transfer | 9931590 | 3.859 |
| | | | | 28.12.2018 | -2028684 | Transfer | 7902906 | 3.071 |
| | | | | 04.01.2019 | -18396 | Transfer | 7884510 | 3.064 |
| | | | | 11.01.2019 | -65011 | Transfer | 7819499 | 3.038 |
| | | | | 18.01.2019 | -2000000 | Transfer | 5819499 | 2.261 |
| | | | | 25.01.2019 | -384059 | Transfer | 5435440 | 2.112 |
| | | 5435440 | 2.112 | | | | | |
| 10 | VALLABH ROOPCHAND BHANSHALI | 2985700 | 1.161 | | | | | |
| | | | | No Change | | | | |
| | | 2985700 | 1.161 | | | | | |
| 11 | VIKAS KOTHARI | 27543850 | 10.710 | | | | | |
| | | | | No Change | | | | |
| | | 27543850 | 10.708 | | | | | |

*The shares of the Company are traded on a daily basis and hence the date refers to as the Benpos (beneficiary positions) date. Benpos refers to the list of beneficiaries/beneficial owners (the shareholders of the company, who are holding the shares in demat form), which is provided by a Depository viz. NSDL & CDSL to the Registrar and Share Transfer Agent, periodically.

**v) Shareholding of directors and key managerial personnel:**

| Sl. No. | Name of shareholder | Shareholding | | Change during the year | | | Cumulative shareholding during the year (01-04-18 to 31-03-19) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares at the beginning (01-04-18) / end of the year (31-03-19) | % of total shares of the company | Date | Increase / decrease in share-holding | Reason | No. of shares | % of total shares of the company |
| 1 | ISHWAR CHAND AGARWAL | 10425801 | 4.05 | | | | | |
| | | | | No Change | | | | |
| | | 10425801 | 4.05 | | | | | |
| 2 | KAILASH CHANDRA AGARWAL | 13298356 | 5.17 | | | | | |
| | | | | No Change | | | | |
| | | 13298356 | 5.17 | | | | | |
| 3 | RAJENDRA AGARWAL | 3550485 | 1.38 | | | | | |
| | | | | No Change | | | | |
| | | 3550485 | 1.38 | | | | | |
| 4 | JITENDRA AGARWAL | 3634256 | 1.41 | | | | | |
| | | | | No Change | | | | |
| | | 3634256 | 1.41 | | | | | |
| 5 | ANKIT JHANJHARI | 5976 | 0.00 | | | | | |
| | | | | 20.04.2018 | 620 | ESOP | 6596 | 0.00 |
| | | 6596 | 0.00 | | | | | |
| 6 | NATHU LAL NAMA* | 17561 | 0.00 | | | | | |
| | | | | 13.04.2018 | 800 | Transfer | 18361 | 0.00 |
| | | | | 20.04.2018 | 2023 | ESOP | 20384 | 0.00 |
| | | 20384 | 0.00 | | | | | |

*Appointed as key managerial personnel w.e.f. 11.05.2018

## V. INDEBTEDNESS:

Indebtedness of the company including interest outstanding/accrued but not due for payment:

(₹ in Lakhs)

| Particular | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 18627.25 | 5335.09 | NIL | 23962.34 |
| ii) Interest due but not paid | NIL | NIL | NIL | NIL |
| iii) Interest accrued but not due | 2.18 | NIL | NIL | 2.18 |
| **Total (i+ii+iii)** | 18629.43 | 5335.09 | | 23964.52 |
| **Change in Indebtedness during the financial year** | | | | |
| Addition | 2932.63 | 711.25 | NIL | 3643.88 |
| Reduction | NIL | NIL | NIL | NIL |
| **Net Change Indebtedness** | 2932.63 | 711.25 | NIL | 3643.88 |
| **At the end of the financial year** | | | | |
| i) Principal Amount | 21541.80 | 6046.34 | NIL | 27588.14 |
| ii) Interest due but not paid | NIL | NIL | NIL | NIL |
| iii) Interest accrued but not due | 20.26 | NIL | NIL | 20.26 |
| **Total (i+ii+iii)** | 21562.06 | 6046.34 | NIL | 27608.40 |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to managing director, whole-time directors and/or manager

(₹ in Lakhs)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | Total Amount |
|---|---|---|---|---|---|
| | | Ishwar Chand Agarwal | Rajendra Kumar Agarwal | Jitendra Kumar Agarwal | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 300.00 | 240.00 | 240.00 | 780.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | NIL | NIL | NIL |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | NIL | NIL |
| 2 | Stock Option | NIL | NIL | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL | NIL | NIL |
| 4 | Commission<br>- as % of profit<br>- others, specify... | NIL | 35.00 | 35.00 | 70.00 |
| 5 | Others - Employer's contribution towards PF | NIL | 7.20 | 7.20 | 14.40 |
| | Total (A) | 300.00 | 282.20 | 282.20 | 864.40 |
| | Ceiling as per the Act (@ 10% of net profits calculated under Section 198 of the Companies Act) | | | | 948.79 |

### B. Remuneration to other directors

(₹ in Lakhs)

| Sl. No. | Particulars of Remuneration | Name of Directors* | | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|---|---|
| | | KCA | SA | RP | DCA | BSS | IMB | UA | |
| 1 | Independent Directors | | | | | | | | |
| | Fee for attending board / committee meetings | NA | NA | 0.75 | 0.94 | 0.88 | 0.45 | 0.45 | 3.47 |
| | Commission | NA | NA | NIL | NIL | NIL | NIL | NIL | NIL |
| | Others, please specify | NA | NA | NIL | NIL | NIL | NIL | NIL | NIL |
| | Total (1) | NA | NA | 0.75 | 0.94 | 0.88 | 0.45 | 0.45 | 3.47 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2 | Other Non-Executive Directors | | | | | | | | |
| | Fee for attending board / committee meetings | NIL | NIL | NA | NA | NA | NA | NA | NA |
| | Commission | NIL | NIL | NA | NA | NA | NA | NA | NA |
| | Others, please specify | NIL | NIL | NA | NA | NA | NA | NA | NA |
| | Total (2) | NIL | NIL | NA | NA | NA | NA | NA | NA |
| | Total (B)=(1+2) | NIL | NIL | 0. 75 | 0.94 | 0.88 | 0.45 | 0.45 | 3.47 |
| | Ceiling as per the Act (@ 1% of net profits calculated under Section 198 of the Companies Act) | | | | | | | | 94.88 |
| | Total Managerial Remuneration (A+B) | | | | | | | | 853.47 |
| | Overall Ceiling as per the Act (@11% of net profits calculated as per Section 198 of the Companies Act) | | | | | | | | 1043.67 |

***Note:**

KCA = Kailash Chandra Agarwal; SA = Sharmila Agarwal; RP = Rameshwar Pareek; DCA = Dharam Chand Agarwal
BSS = Bhairon Singh Solanki; IMB = Indraj Mal Bhutoria; UA = Udit Agarwal

### C. Remuneration to key managerial personnel other than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount |
|---|---|---|---|---|
| | | Chief Financial Officer* | Company Secretary | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 32.00 | 13.34 | 45.34 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | NIL | NIL |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | NIL |
| 2 | Stock Option | 1.02 | 0.30 | 1.32 |
| 3 | Sweat Equity | NIL | NIL | NIL |
| 4 | Commission<br>- as % of profit<br>- others, specify... | NIL | NIL | NIL |
| 5 | Others, please specify | NIL | NIL | NIL |
| | (a) LTA, Reimbursement and Others | 1.82 | NIL | 1.82 |
| | Total (C) | 34.84 | 13.64 | 48.48 |

*Appointed as key managerial personnel w.e.f. 11.05.2018

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of the Companies Act, 2013, against the Company or its directors or other officers in default, if any, in FY19.

For and on behalf of the Board of Directors

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, July 25, 2019

# Policy for selection of Directors and determining Directors' independence

1. **Preface:**

Genus Power Infrastructures Limited (hereinafter referred to as "Genus" or the "Company" in this document) recognises that an effective Board should have a balance of skill and experience that is appropriate for the size and requirement of the business. The Company recognises the importance of Independent Directors in achieving the effectiveness of the Board. The Company aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. **Scope and Purpose:**

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company. This Policy is in line with the provisions of the Companies Act, 2013 (the "Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

3. **Definitions**

For the purposes of this policy, the following definitions apply:

(A) **"Director"** shall mean a director appointed to the Board of the Company.

(B) **"Board"** shall mean the Board of Directors of the Company. "Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the company which has the supreme executive authority to control the management and affairs of company.

(C) **"Nomination and Remuneration Committee"** shall mean Committee of Directors of the Company constituted by the Company's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

(D) **"Whole-time director"** includes a director in the whole-time employment of the Company.

(E) **"Managing Director"** shall mean a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called. The power to do administrative acts of a routine nature when so authorised by the Board, such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management.

(F) **"Independent Director"** shall mean a director referred to in sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

4. **Qualifications and Criteria:**

In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee shall take into account many factors, including the following:

- Educational and professional background.
- Standing in the profession.
- Personal and professional ethics, integrity and values.
- Understanding of the Company's business dynamics, global business and social perspective.
- Skill, experience and knowledge in any disciplines related to company's business.
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number (DIN) or any other identification number prescribed by the Central Government which shall be treated as Director Identification Number for the purposes of the Act;
- Shall not be disqualified under the Act or pursuant to any order of Securities and Exchange Board of India or any other such authority;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;

- Shall abide by the Company's Code of Conduct, as applicable;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the Board in every financial year and whenever there is a change in the disclosures already made;
- The managing director, whole-time director or executive director shall also meet all criteria specified in section 197 and Schedule V of the Companies Act, 2013. Subject to the provisions of section 197 and Schedule V of the Companies Act, 2013, the terms and conditions of such appointment and remuneration payable, shall be approved by the Board of Directors at a meeting, subject to approval of the shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Part I of that Schedule.
- Shall not be a director in more than eight listed entities with effect from April 1, 2019 and in not more than seven listed entities with effect from April 1, 2020.
- Shall not serve as an independent director in more than seven listed entities.
- The whole-time director / managing director of the Company shall not serve as an independent director in more than three listed entities.
- Such other requirements as may be prescribed, from time to time, under the Act, Listing Regulations and other relevant laws.

The Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance with the objective of having a group that best enables the success of the Company's business.

The Nomination and Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

The Company shall appoint or re-appoint any person as its managing director or whole-time director/executive director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of his term.

5. **Criteria of Independence**

- The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- The criteria of independence shall be as laid down in the Act, Listing Regulations and other relevant laws, if any, as amended from time to time.
- The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Act.

**Maximum tenure of Independent Directors**

Subject to the provisions of section 152 of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. However, no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

For the purposes of above, any tenure of an independent director on the date of commencement of the Companies Act, 2013 shall not be counted as a term.

**Expectation from Independent Director:**

- Bring an external and independent perspective.
- Challenge the recommendations of other Board members, if it seems against the interest of the Company or its shareholders.
- Assist in setting and revising the Company's strategy and objectives.
- Ensure that there are proper risk management and internal control framework which are implemented concerning all aspects of the business of the Company.
- Consider management's plans on succession planning.
- Add the skills mix on the board and have suitable experience.
- Adherence to Code of Conduct for Independent Directors of the Company.

- Comply with the provisions of all applicable laws.

**Performance evaluation of Independent Directors**

(a) The Nomination and Remuneration Committee shall lay down the evaluation criteria for performance evaluation of independent directors.

(b) The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination and Remuneration Committee, in its Annual Report.

(c) The evaluation of independent directors shall be made by the entire Board of Directors (excluding the director being evaluated), which shall include –

   (i). performance of the directors; and

   (ii). fulfillment of the independence criteria as specified in these regulations and their independence from the management.

(d) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

**Non-executive Directors' compensation and disclosures**

All fees / compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting. The shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, in any financial year and in aggregate.

The requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.

Independent directors shall not be entitled to any stock option.

**Separate meetings of the Independent Directors**

(a) The independent directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting.

(b) The independent directors in the meeting shall, inter-alia:

   (i) review the performance of non-independent directors and the Board as a whole;

   (ii) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

   (iii) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Qualifications of independent director:**

Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

For and on behalf of the Board of Directors

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, July 25, 2019

**'Annexure-I' to the Directors' Report**

# Policy on Remuneration of Director, Key Managerial Personnel and Senior Management Personnel

## (I) PREFACE

The Board of Directors of the Company (the "Board") has approved and adopted the Remuneration Policy (the "Policy") of Genus Power Infrastructures Limited (the "Company" or "Genus"), as per the recommendation made by the Nomination and Remuneration Committee (the "Committee") of Directors of the Company. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of directors and laid down policy relating to remuneration for the directors, key managerial personnel and other employees.

The Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The Remuneration Policy of the Company is designed to attract, retain and motivate the Senior Management Personnel ("SMP") including its Key Managerial Personnel ("KMP") and Directors (collectively referred to herein as the "Board and SMP"). The policy ensures that -

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(c) remuneration to Directors and SMP involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; and

(d) remuneration matches the level in comparable companies, whilst also taking into consideration of the required competencies, effort and scope of the Directors and SMP's work.

The Remuneration Policy applies to the Company's Senior Management Personnel, including its Key Managerial Personnel and Directors.

The Policy is divided into separate sections for 'executive directors', 'non-executive directors' and 'senior management personnel (including key managerial personnel, except executive directors and managing director)'.

## (II) REMUNERATION OF EXECUTIVE DIRECTORS (INCLUDING MANAGING DIRECTOR)

The remuneration of the executive directors is set by the Committee in compliance with applicable provisions of the Companies Act, 2013 read with the applicable rules thereto including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Listing Regulations. The Committee makes a recommendation to the Board for the remuneration payable to the Executive Directors. Then the Board upon the recommendation of the Committee decides and approves the remuneration and other terms & conditions of appointment of the Executive Directors, subject to approval of the Shareholders of the Company at their meeting.

The remuneration is evaluated annually against performance aligned with shareholders' interests, the Company's strategy and a benchmark of other comparable companies, which in size and complexity are similar to the Company. In determining packages of remuneration, the Committee may consult/discuss with the Chairman or Managing Director of the Company.

Total remuneration shall be comprised as follows:

**Fixed remuneration:** Base-level fixed salary (basic salary) is set at a level aimed at attracting and retaining the Executive Directors with professional and personal competency required to run the Company successfully and accelerate the Company's performance. It is strongly linked to the Company's long-term performance and strategy.

**Allowances & Perquisites:** Allowances and perquisites shall be as follows (subject to the applicable laws, rules and regulations):

(i). Furnished residential accommodation with water, gas, electricity, maintenance, sweeper, gardener, watchman and personal attendant or House Rent Allowance in lieu thereof.

(ii). Medical benefits for self and family: Reimbursement of all expenses actually incurred in India and/or abroad.

(iii). Leave Travel Concession for self, wife and minor children once a year.

(iv). Fees of clubs subject to a maximum of two clubs.

(v). Premium on Personal accident insurance policy as per the Company's rules.

(vi). Premium on Medical Insurance for self and family as per the Company's rules.

(vii). Company's contribution towards provident fund as per rules of the Company but not exceeding 12% of salary.

(viii). Gratuity not exceeding one half month's salary for each completed year of service.

(ix). Encashment of leave as per rules of the Company.

(x). Free use of car with driver for official use.

(xi). Free telephone facility at residence including mobile phone for official use.

**Incentive programme, bonus pay, etc.:** The Executive Directors are not included in incentive programmes (i.e. employees' stock options schemes, bonus pay or similar plans).

**Severance payments:** It will be in accordance with termination clauses in employment agreements, if any.

**Reimbursement of expenses:** Expenses incurred in connection with Board and Committee meetings held are reimbursed as per account rendered.

**Commission:** The commission will be paid as recommended by the Nomination and Remuneration Committee and approved by the Board subject to approval of the Shareholders of the Company.

**(III) REMUNERATION OF NON-EXECUTIVE DIRECTORS**

Non-Executive Directors (NEDs) are appointed to bring his/her experience, proficiency and independent viewpoint in order to help and confront the Board making sure that Board decisions are transparent, fair and in the interest of the Company and its shareholders. NEDs are not involved in the management of the Company on a daily basis. NEDs may receive sitting fees for attending the meeting of the Board and Board Committees as approved by the Board on a recommendation of the Committee. The Committee recommends the sitting fees in compliance with applicable provisions of the Companies Act, 2013 read with the applicable rules thereto and the Listing Regulations.

The NEDs are not included in incentive programmes (i.e. employees' stock options schemes, bonus pay or similar plans).

Expenses incurred in connection with attending the Board and Committee meetings are reimbursed as per account rendered.

The commission will be paid as recommended by the Nomination and Remuneration Committee and approved by the Board subject to approval of the Shareholders of the Company.

**(IV) REMUNERATION OF SENIOR MANAGERIAL PERSONNEL (INCLUDING KEY MANAGERIAL PERSONNEL, EXCEPT EXECUTIVE DIRECTORS AND MANAGING DIRECTOR) ("SMP")**

**Fixed and variable remuneration:** The Board believes that a combination of fixed and variable/incentive pays (linked to performance of the Company as well as individual) to the SMP ensures that the Company can attract and retain best talents. Incentives can help in creating shareholder value.

The remuneration of SMP mainly comprises basic salary, allowances, perquisites, variable/incentives pay linked to performance, reimbursement of expenses and retirement benefits. Allowance, perquisites, bonus, variable/incentives pay and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling under various statutes.

The components of the total remuneration vary for different grades and are governed by the qualification, experience/merits and performance of each employee. The Company while deciding the remuneration also takes into consideration present employment scenario and prevailing remuneration package of the industry.

The annual variable/incentive pay is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's targets fixed in the beginning of the year.

**Stock Options:** In addition to normal/regular remuneration package, Employees Stock Option Schemes ("ESOS") are also in place for SMP and other employees of the Company, which are in compliance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "Erstwhile SEBI ESOP Guidelines") as replaced by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any other guidelines, regulations etc. framed by SEBI in this regard. The objectives of the ESOS are to attract & retain talent, reward for past association & performance and to create long-term shareholder value. The stock option scheme is share-based. ESOS is administered by the Committee. The Committee, in accordance with this Scheme and applicable laws, determines the following:

(i). The quantum of Employee Stock Options to be granted under the ESOS;

(ii). The Eligibility Criteria;

(iii). Terms and conditions for grant of options to employees which may be different for different class of employees falling in the same tranche of options issued under ESOS;

(iv). The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock consolidation, rights issues, bonus issues and others;

(v). The procedure and terms for the Grant, Vest and Exercise of Employee Stock Option in case of Employees who are on long leave;

(vi). The procedure for cashless exercise of Employee Stock Options, if required; and

(vii). Approve forms, writings and/or agreements for use in pursuance of the ESOS.

Options granted under ESOS would vest within not less than one year and not more than six years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and thus the options would vest on passage of time as per the ESOS Scheme. In addition to this, the Committee may also specify certain performance parameters subject to which the options would vest. The options are exercisable not earlier than 1 year following the grant and will lapse if they remain unexercised after 3 years following the vesting. The exercise price for the options is fixed at the time of granting options. The exercise price shall be up to maximum of 50% discount to the Market Price of the Equity Shares as on date of grant. The Board of Directors may subject to compliance with applicable laws, at any time alter, amend, suspend or terminate the ESOS.

**Personal benefits:** SMP is also eligible to a number of work-related benefits, including company car, free telephone, broadband at home, and work-related newspapers & magazines. The extent of individual benefits is negotiated with each individual SMP. SMP is also covered/insured by various insurance policies taken by the Company for its employees from time to time.

**(V) DISCLOSURE OF INFORMATION**

The Remuneration Policy of the Company shall be placed on the website of the company and the salient features of the policy and changes therein, if any, along with the web address of the policy, shall be disclosed in the Board's report.

For and on behalf of the Board of Directors

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, July 25, 2019

**'Annexure-J' to the Directors' Report**

FORM NO. MR-3

# Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019.

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Genus Power Infrastructures Limited,

G-14, Sector-63, Noida-201307 (Uttar Pradesh)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Genus Power Infrastructures Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the Company is not registered as Registrar to Issue and Share transfer Agent during the audit period);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the company during the audit period);

(vi) Based on explanations and information furnished to us, we report that company has complied with labour laws and pollution control laws in so far as the same are applicable to it. Other laws applicable to the Company are as under:

- (a) The Trade Marks Act, 1999
- (b) The Designs Act, 2000

We have also examined compliance with the applicable clauses/regulations of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with Stock Exchanges;

(iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

(i) The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of all such meetings.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company issued 1,29,634 equity shares of Re.1 each to employees under ESOS-2012. And that during the audit period there were no specific events/ actions having major bearing on the Company's affairs in pursuance of the above reference, laws, rules, regulations, guidelines, etc.

For **C. M. BINDAL & CO.**
COMPANY SECRETARIES

**(C.M. BINDAL)**
PARTNER
FCS No.103, CP No.176

Place : Jaipur
Date: May 11, 2019

This Report should be read with our letter (as Annexure A) of even date which by the Secretarial Auditors, which is available on the website of the Company.

'Annexure-K' to the Directors' Report

# SECRETARIAL COMPLIANCE REPORT

OF
GENUS POWER INFRASTRUCTURES LIMITED
FOR THE YEAR ENDED ON MARCH 31, 2019

**We, ROHIT JAIN & ASSOCIATES, Company Secretaries have examined:**

(a) all the documents and records made available to us and explanation provided by Genus Power Infrastructures Limited (CIN: L51909UP1992PLC051997) ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

**For the year ended on March 31st 2019 ("Review Period") in respect of compliance with the provisions of:**

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

**The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-**

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during review period)

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during review period)

(g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; (Not Applicable to the Company during review period); and

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued there under;

and based on the above examination, I/We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:-

| Sr. No. | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|---|---|---|---|
| 1 | NIL | NIL | NIL |

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

| Sr. No. | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|---|---|---|---|---|
| 1 | NIL | NIL | NIL | NIL |

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended ..... | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---|---|---|---|---|
| 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

For **ROHIT JAIN & ASSOCIATES**
COMPANY SECRETARIES

**ROHIT KUMAR JAIN**
(Proprietor)
ACS NO A52016, CP NO 19405

Place: Jaipur
Date: May 17, 2019

'Annexure-L' to the Directors' Report

# Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

## A. CONSERVATION OF ENERGY:

**(i) Steps taken or impact on conservation of energy:**

- Installed solar roof-top grid connected power plant of 150 KW.
- Installed VRF AC.
- Installed servo controller and high efficiency pump in moulding machines.
- Installed LED/solar lights instead of conventional lights.
- Installed VFD in Exhaust Blowers of Reflow & Wave Soldering Machines.
- Installed energy efficient lighting fixtures.
- Insulation Jackets on Moulding Machines to prevent heat losses.
- Replaced old AC and other equipments with higher efficiency models.
- Metered and analyzed of the energy consumption on a daily basis and taking possible preventive measures to optimize consumption and stop losses.
- Managed temperature settings according to heating and cooling season.
- All electricity equipments/machines e.g. AC, computers, printers, photocopiers, fax, fans, tube-lights, production machines, etc. were strictly switched-off on weekends, holidays, lunch-time, each night and for varying periods, wherever/wherever possible & feasible.
- Zero discharge of Water.
- Monitoring and controlling the Water Consumption per person.

**(ii) Steps taken by the Company for utilising alternate sources of energy:**

- Installed solar roof-top grid connected power plant of 150 KW.
- Installed Natural Ventillators in Shop Floors.
- New constructions and renovations (wherever/wherever possible & feasible) were designed with a view to maximum use of renewable sources of energy and to meet the fossil fuel and energy consumption performance standard.
- Constantly seeking opportunities for utilizing the natural sources of energy instead of conventional source of energy.

**(iii) The capital investment on energy conservation equipment:** ₹90 Lakhs

## B. TECHNOLOGY ABSORPTION:

**(i) Major efforts made towards technology absorption:**

- Developed complete portfolio of modular smart meter for domestic and export requirements, compliant with the newly ratified Indian standard and the international IEC standards. These meters can be fitted and integrated with communication module of any technology and different makes. These smart meters find their application in the overall advanced residential metering infrastructure. The high-end LTCT and HTCT meters are installed in commercial, industrial and interface bulk metering applications.
- Developed network interface cards using GSM/Cellular technology based communication modules designed on global platforms.
- Developed 2G and GPRS communication cards for low data rate requirements.
- Developed 3G/2G (fall back to 2G) network interface cards for our smart meters.
- Developed 4G (fall back to 2G) network interface cards for our smart meters and other high end metering products.
- Developed, tested and successfully deployed its RF mesh based products.
- Developed Bluetooth Low Energy (BLE) RF based meters and also exported.
- Developed the complete end-to-end system for prepaid metering.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: As a results -**

- First in the country to get our smart meter BIS certified with IS 16444.

- A successful pilot deployment in PGCIL integrates GSM/ G3PLC and RF mesh technologies simultaneously for varied infrastructure.
- Developed complete range of meters with optical and RS232/RS485 local ports and also the options of automatic/remote meter reading using RF technologies.
- Enhanced and deployed functionality of gateway for 6LowPan in MP and MSEDCL for last mile communication.
- Exported single phase meter with Bluetooth communication.
- Successfully deployed AMI solution at CESC, Kolkata; CESC, Kota; and UGVCL, Gujarat.
- Exported Single phase Smart Meter for Singapore Market.
- Developed an interoperable network interface card, based on 2G, 3G and 4G communication technologies.
- Enhanced the Head-end software compatible with multiple platforms such as Android, IOS, Windows among others and also compatible with multiple communication technologies simultaneously.

**(iii) Information regarding imported technology (Imported during last three years):**

| Details of technology imported | Technology import from | Year of import | Status of absorption |
|---|---|---|---|
| Vodafone idea for NBIoT proof of concept. Partnership with network service provider for NBIoT network | Vodafone Idea | 2019 | Proof of concept |
| Mobil Tek for GSM 3G/2G communication modules, Mediatek chipset | Mobil Tek | 2018 | Deployment |
| Trilliant for RF mesh communication module and HES | Trilliant | 2019 | Development |

**(iv) Expenditure Incurred on Research and Development:**

(₹ in Lakhs)

| S. No. | Particulars / Financial Year | 2018-19 | 2017-18 |
|---|---|---|---|
| (a) | Capital expenses | 74.55 | 81.09 |
| (b) | Revenue expenses | 1426.85 | 1391.44 |
| | **Total** | **1501.40** | **1472.53** |

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(₹ in Lakhs)

| Particulars / Financial Year | 2018-19 | 2017-18 |
|---|---|---|
| Foreign exchange earnings (FOB) | 6417.03 | 2787.74 |
| Foreign exchange outgo | 38969.51 | 33709.75 |

For and on behalf of the Board of Directors

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, July 25, 2019

'Annexure-M' to the Directors' Report

# Business Responsibility Report

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015 dated December 22, 2015]

## SECTION A: GENERAL INFORMATION OF THE COMPANY

| | | |
|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Company | L51909UP1992PLC051997 |
| 2 | Name of the Company | Genus Power Infrastructures Limited |
| 3 | Registered Address | G-14, Sector-63, Noida, Uttar Pradesh-201307 (India)<br>Telefax: +91-120-4227116 |
| 4 | Website | www.genuspower.com |
| 5 | Email id | cs@genus.in |
| 6 | Financial Year reported | 2018-19 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | The Company is engaged in manufacturing of Electronic Energy Meters. It also undertakes 'Engineering, Construction & Contracts' for power transmission and distribution sector. As per National Industrial Classification – Ministry of Statistics and Programme Implementation, industrial activity code-wise is as follows:<br>Industrial Group — Description<br>Group 265 — Manufacture of measuring, testing, navigating and control equipment<br>Group 422 — Construction of utility projects<br>Group 432 — Electrical, plumbing and other construction installation activities |
| 8 | List three key products/services that the Company manufactures/provides (as in balance sheet) | (i) Smart Metering Solutions; and<br>(ii) 'Engineering, Construction & Contracts' projects for power transmission and distribution sector. |
| 9 | Total number of locations where business activity is undertaken by the Company | (i) Number of International Locations (Provide details of major 5): The Company does not have any overseas manufacturing plant.<br>(ii) Number of National Locations: Genus has five manufacturing locations at Jaipur, Haridwar and Assam. (Details are given in Corporate Governance Report). Further, the Company has 86 domestic locations, across India, where it has sales and/or marketing offices. |
| 10 | Markets served by the Company – Local/State/National/International | National and International |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|---|
| 1 | Paid-up Capital (INR) | 2573.59 Lakhs |
| 2 | Total Turnover (INR) | 105546.66 Lakhs |
| 3 | Total profit after taxes (INR) | 7237.44 Lakhs |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 1.98% |
| 5 | List of activities in which expenditure in 4 above has been Incurred | Refer 'Annual Report on CSR Activities' |

## SECTION C: OTHER DETAILS OF THE COMPANY

| | | |
|---|---|---|
| 1 | Does the Company have any Subsidiary Company/ Companies? | No |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | Not Applicable |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No |

## SECTION D: BR INFORMATION

**1. Details of Director/Directors responsible for BR**

| | | |
|---|---|---|
| (a) Details of the Director/Director responsible for implementation of the BR policy/policies | | |
| (i) | DIN Number | 00011127 |
| (ii) | Name | Mr. Rajendra Kumar Agarwal |
| (iii) | Designation | Managing Director and CEO |
| (b) Details of the BR head | | |
| (i) | DIN Number | N.A. |
| (ii) | Name | Mr. Nathu Lal Nama |
| (iii) | Designation | CFO |
| (iv) | Telephone number | +91-141-7102400 |
| (v) | e-mail id | nl.nama@genus.in |

**2. Principle-wise (as per NVGs) BR Policy/policies**

| Principle No. | NVG Principle | Reference Document |
|---|---|---|
| P1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability | • Mission & Values<br>• Code of Business Ethics and Responsibility<br>• Code of Conduct<br>• Safety, Health & Environment Policy<br>• Policy for Determining Materiality of Events<br>• 'Code of Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives' |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle | • Code of Business Ethics and Responsibility<br>• Mission & Values<br>• Quality Policy<br>• Safety, Health & Environment Policy |
| P3 | Businesses should promote the well-being of all employees | • Code of Conduct<br>• Mission & Values<br>• Whistle Blower Policy and Vigil Mechanism<br>• Safety, Health & Environment Policy<br>• Prevention of Sexual Harassment Policy |
| P4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised | • Corporate Social Responsibility Policy<br>• Code of Conduct<br>• Code of Business Ethics and Responsibility |
| P5 | Businesses should respect and promote human rights | • Prevention of Sexual Harassment Policy<br>• Safety, Health & Environment Policy<br>• Whistle Blower Policy and Vigil Mechanism<br>• Mission & Values<br>• Code of Business Ethics and Responsibility |
| P6 | Businesses should respect, protect, and make efforts to restore the environment | • Code of Business Ethics and Responsibility<br>• Corporate Social Responsibility Policy<br>• Safety, Health & Environment Policy<br>• Quality Policy |
| P7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner | • Mission & Values<br>• Code of Business Ethics and Responsibility<br>• Code of Conduct |
| P8 | Businesses should support inclusive growth and equitable development | • Mission & Values<br>• Code of Business Ethics and Responsibility<br>• Corporate Social Responsibility Policy |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner | • Mission & Values<br>• Code of Business Ethics and Responsibility<br>• Quality Policy |

**(a) Details of compliance (Reply in Y/N)**

| No | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Do you have a policy/ policies for.... | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words)[1] | Y[1] | Y[1] | Y[1] | Y[1] | Y[1] | Y[1] | Y[1] | Y[1] | Y[1] |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6 | Indicate the link for the policy to be viewed online? | Y[2] | Y[2] | Y[2] | Y[2] | Y[2] | Y[2] | Y[2] | Y[2] | Y[2] |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8 | Does the company have in-house structure to implement the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | Y | Y | Y |

1. The policies are based on NVG-guidelines in addition to conformance to the spirit of national and international standards like 'ISO 14000', 'ISO 9000:2015', 'ISO 18001', 'ISO 27001', 'BIS', NABL, 'STS', 'EMC', 'ISI', 'S' mark, AEO-T1 etc. The Company is also a proud CMMI level 3 Company and accredited with various national and international certifications such as ISI, KEMA, SGS, STS, ZIGBEE, UL, DLMS and more. Recently, the Company has received BIS certification for its Smart Meters.
2. These are internal policies of the Company and are available to relevant stakeholders of the Company. However, the Company's 'Mission & Values' 'CSR Policy', 'Whistle Blower Policy and Vigil Mechanism' 'Code of Conduct for Directors & Senior Management Personnel', 'Policy for Determining Materiality of Events' 'Code of Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives' and several other policies related to corporate governance and stakeholders are available in the investor section at Company's website, 'www.genuspower.com'.

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):**

| No | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | The company has not understood the Principles | Not Applicable | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

**3. Governance related to BR**

| | | |
|---|---|---|
| (a) | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year) | Chief Executive Officer (CEO) of the Company reviews the BR performance of the Company, annually. |
| (b) | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | The Company publishes the BR report, annually. The BR report for FY19 can also be accessed at www.genuspower.com. |

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?:**

   The Company's corporate governance practices/policies/codes relating to ethics, bribery and corruption apply across the Genus Group and also extend to its vendors and business partners. These corporate govemance practices/policies/codes cover all individuals working with the Company at all levels and grades including directors, senior management personnel and other employees (including probationary, trainee, retainer, temporary or contractual).

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

| Particulars | Shareholders Complaints | Customers Complaints |
|---|---|---|
| No. of complaints pending as on April 01, 2018 (Opening Balance) | 0 | 3 |
| No. of complaints were received in FY19 (Add during the year) | 3 | 79 |
| No. of complaints were successfully resolved as on March 31, 2019 (Resolved during the year) | 3 | 78 |
| No. of customer complaints pending as on March 31, 2019 (Closing Balance) | 0 | 4* |
| % of complaints resolved | 100% | 95% |

*Subsequently, most of these pending complaints have been resolved.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

1. **List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The Company manufactures 'Smart Meters & Smart Metering Solutions', and also undertakes 'Engineering, Construction and Contracts' for power transmission and distribution sector. These products/services/solutions have no any adverse impact on society or environment. The Company does not use any fossil fuel for manufacturing of its products. The Company is accredited with all major quality and process certifications like ISO 14000', 'ISO 9000:2015', 'ISO 18001', 'ISO 27001', 'BIS', NABL, 'STS', 'EMC', 'ISI', 'S' mark, AEO-T1, etc. The Company has proud BIS certificates for different rated meters, which is amongst the highest in the country in Electronic Energy Meter Industry. The Company has been awarded with STS (Standard Transfer Specification) certification, which is recognized as the only globally accepted open standard for prepayment metering systems, ensuring inter-operability between system components from different manufacturers of prepayment systems. Recently, the Company has received BIS certification for its Smart Meters. The Company has in-house R&D centre (recognized by the Ministry of Science & Technology, Government of India and accredited by National Accreditation Body for Testing Labs 'NABL'), which also ensures all social or environmental impacts and compliances, while designing the products/services/solutions.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   **(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   The Company does not require energy or water, heavily while sourcing/producing/distributing its products/services/solutions. However, there was reduction of energy and water consumption while sourcing/production/ distribution of the Company's products/services/solutions in FY19.

   **(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   The Company's main product/service i.e. smart metering solutions help its customers in a big way in reducing their energy uses. The Company's smart meter can measure and analysis the energy consumption pattern of end-user through a two-way communication system between the power utility and the consumer (end-user), which helps the power utility for better load management and the end-user for managing their energy use during peak time and thereby reduces their energy bills. Further, the Company's ECC turnkey solution offer several technological & commercial advantages such as anti-temper feature, accurate billing, error reporting, load management analysis, digital display, pre-payment feature, smart grid, smart sub-station etc., to power utilities/discoms and thereby helps them in reduction of transmission and distribution losses. In FY19, there has been a considerable reduction in energy consumption with the use of the Company's products/services.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has a long-lasting relationship with its supplier/vendors. It has defined sets of systems/procedures for selection of prospective vendors, which includes techno commercial analysis, vendor's financial strength, market share, past track record etc. All vendors providing goods or services including transportation services have to comply with all relevant laws along with environment, health and safety norms. The Company confirms that the most of its inputs was sourced sustainably.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

In order to ensure sustainable sourcing resources, the Company encouraged the local and small vendors/manufacturers around its plants proximity and region. Several development and training programmes were conducted to improve their capacity and capability. In order to provide effective after sales service, the Company engaged local service providers/engineers and raised their scope for employment and their standard of living. The Company's research and development department has also provided the technological support to the associated local service providers/engineers to improve their capacity and capabilities.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company's products or wastes do not suitable to recycle and therefore it does not have any established mechanism to recycle products and waste. However, the Company disposes-off its products and raw material wastes, e.g. plastic boxes/bodies of meters, electronics parts etc., through local scrap vendors after taking a disposal certificates from the vendors.

**Principle 3: Businesses should promote the well being of all employees.**

<table>
<tr><td>1</td><td>Please indicate the Total number of employees</td><td>1069 (On roll) as on March 31, 2019</td></tr>
<tr><td>2</td><td>Please indicate the Total number of employees hired on temporary/contractual/casual basis</td><td>2051 (as on March 31, 2019)</td></tr>
<tr><td>3</td><td>Please indicate the Number of permanent women employees</td><td>68 (as on March 31, 2019)</td></tr>
<tr><td>4</td><td>Please indicate the Number of permanent employees with disabilities</td><td>03 (as on March 31, 2019)</td></tr>
<tr><td>5</td><td>Do you have an employee association that is recognized by management</td><td>No</td></tr>
<tr><td>6</td><td>What percentage of your permanent employees is members of this recognized employee association</td><td>Not Applicable</td></tr>
<tr><td>7</td><td>Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.</td><td><table>
<tr><th>No.</th><th>Category</th><th>No of complaints filed during the financial year</th><th>No of complaints pending as on end of the financial year</th></tr>
<tr><td>1</td><td>Child labour/forced labour/involuntary labour</td><td>Nil. The Company does not hire Child labour, forced labour or involuntary labour.</td><td>Nil</td></tr>
<tr><td>2</td><td>Sexual harassment</td><td>No case reported.</td><td>Nil</td></tr>
<tr><td>3</td><td>Discriminatory employment</td><td>Nil. There is no discrimination in the recruitment process of the Company.</td><td>Nil</td></tr>
</table></td></tr>
<tr><td>8</td><td>What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?</td><td>(a) Permanent Employees : 64%<br>(b) Permanent Women Employees : 59%<br>(c) Casual/Temporary/Contractual Employees : 50%<br>(d) Employees with Disabilities : Nil</td></tr>
</table>

**Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

| | | |
|---|---|---|
| 1 | Has the company mapped its internal and external stakeholders? Yes/No | Yes |
| 2 | Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? | Genus is committed to the welfare of marginalized and vulnerable sections of the local community. The Company has identified socio-economically disadvantaged sections of the local community and is engaged on an on-going basis to improve their standard of living. |
| 3 | Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. | Genus has taken a number of initiatives, not only to impart basic education to the needy children but also to provide the technical and skill-oriented education to youth and deprived classes of the society. Genus, through 'Phoosraj Todi Technical Training Institute', Churu, Rajasthan' provided technical education to needy youth and other deprived classes of the society in order to develop skilled, dynamic and market-ready talent for the world at large and not just for domestic needs. Through Ram Bajaj Foundation, Genus promoted education under scheme namely 'Shiksha Ki Unchi Udaan' as a weeklong student development program. Through 'Ekal Vidyalaya Movement' of 'Friends of Tribals Society, Jaipur', Genus in addition to provide education, spread awareness on health and hygiene, empowerment, rural skills, organic farming and ethical and moral values in tribal and other deprived children of rural Area. Through Gaurannga Institute for Vedic Education, (GIVE), Genus promoted the education scheme namely 'Vidya Kit' and distributed 4000 Vidya Kits to needy parents, youth and students. |

**Principle 5: Businesses should respect and promote human rights**

| | | |
|---|---|---|
| 1 | Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? | Genus HR policies, 'Safety, Health & Environment Policy', 'Mission & Values', 'Whistle Blower Policy', 'Code of Business Ethics and Responsibility' and other relevant stakeholders' policies/practices/codes apply across the Genus Group and also extend to its vendors and business partner. These policies/practices/codes cover all individuals working with the Company at all levels and grades including directors, senior management personnel and other employees (including probationary, trainee, retainer, temporary or contractual). |
| 2 | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? | No compliant from any stakeholder regarding human rights was received in FY19. |

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

| | | |
|---|---|---|
| 1 | Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others. | The Company's policy is extended to the entire group. Its subsidiaries/joint ventures follow and adopt the practices/policies of the Company. The Company makes sure that it is implemented at all these levels and the Suppliers / Contractors / NGOs dealing with the Company are also encouraged to maintain ethical standards in all their practices. |
| 2 | Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. | Genus has come up with various strategies and has taken initiatives to address global environmental issues. In FY19, the Company used renewable energy with solar panels for its electricity needs. Genus has progressively used energy-saving LED technology for its office lighting needs. Genus has also utilised solar batteries to reduce fuel consumption at factory sites/offices/project sites and thereby reduced CO2 emission etc. Apart from this, Genus runs tree plantation campaigns across its plants on an annual basis. The campaigns are always implemented alongside environmental education and awareness, to promote environmental stewardship and a sense of responsibility of the planted trees.<br><br>Web-link: "https://genuspower.com/about-us/csr/". |
| 3 | Does the company identify and assess potential environmental risks? Y/N | The Company's products/services/solutions do not have any adverse impact on environment. It does not use any fossil fuel in production or procurement. However, the Company has a mechanism to identify and assess risks including environmental risks and the Company always remains alert for potential environmental risks. |

| | | |
|---|---|---|
| 4 | Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? | Genus has successfully installed solar power systems of capacity of 150 KW in Ramchandrapura, Jaipur. Genus, in line with the National Clean Development Mechanism, has replaced conventional lights with LED/ Solar lights and old AC with higher efficiency models. The Company files environmental compliance report, if required, with the regulatory authority. |
| 5 | Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. | Genus has undertaken various initiatives on clean technology, energy efficiency and renewable energy, such as:<br>• Installation of solar power systems of capacity of 150 KW.<br>• Installation of LED/ Solar lights instead of conventional lights<br>• New constructions and renovations (wherever/wherever possible & feasible) were designed with a view to maximum use of renewable sources of energy and to meet the fossil fuel and energy consumption performance standard.<br>Web-link: "https://genuspower.com/about-us/csr/". |
| 6 | Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? | Yes |
| 7 | Number of show cause/ legal notices received from CPCB/SPCB, which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. | Nil |

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

| | | |
|---|---|---|
| 1 | Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: | (i) Confederation of Indian Industry (CII)<br>(ii) Indian Electrical and Electronics Manufacturers Association (IEEMA)<br>(iii) Federation of Indian Chambers of Commerce and Industry (FICCI)<br>(iv) Federation of Rajasthan Trade and Industry (FORTI) |
| 2 | Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) | The Company has been raising various issues through the above mentioned associations, such as -<br>(i) Power Sector Reforms<br>(ii) Rural Electrification Policy<br>(iii) Industrial Policy for Electronic Items<br>(iv) Electricity Tariff Policy<br>(v) New Government Policy & Programme<br>(vi) Economic Reforms<br>(vii) Inclusive Development Policies |

**Principle 8: Businesses should support inclusive growth and equitable development**

| | | |
|---|---|---|
| 1 | Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. | The Company support inclusive growth and equitable development through its various CSR initiatives and programmes such as technical & skill-oriented education to boost employability; awareness on health, hygiene, empowerment, rural skills, organic farming, ethical & moral values; animal welfare; and rural development project. A detailed report on CSR initiatives undertaken by the Company is annexed to directors' report. |
| 2 | Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? | The programmes/projects are undertaken through internal team as well as in partnership with reputed and experienced Trust / foundation / organisaton / external NGO. |
| 3 | Have you done any impact assessment of your initiative? | The Company has conducted impact assessments of its CSR Initiatives. |
| 4 | What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken? | In FY19, the Company spent an amount of ₹143.00 lakhs on community development projects/CSR activities. A detailed report on CSR initiatives undertaken by the Company is annexed to directors' report. |

| | | |
|---|---|---|
| 5 | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. | Genus has taken the following steps to ensure that this community development initiative is successfully adopted by the community:<br>• Identified the area and programme after taking feedbacks of community members.<br>• Conducted workshop and one-to-one meetings to involve community members in project implementation.<br>• Interact with community members through field representatives to encourage them to adopt programme in true sense.<br>• Conducted assessment meetings and survey periodically to measure impact of social initiatives and level of adoption.<br>• After evaluation of outcome of assessment/survey, taken possible corrective actions. |

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

| | | |
|---|---|---|
| 1 | What percentage of customer complaints/consumer cases are pending as on the end of financial year. | 05%<br>(Subsequently, most of these pending complaints have been resolved) |
| 2 | Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information) | Yes |
| 3 | Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of financial year. If so, provide details thereof, in about 50 words or so. | No case filed. |
| 4 | Did your company carry out any consumer survey/ consumer satisfaction trends? | Genus periodically conducted customer satisfaction survey to assess the consumer satisfaction levels and consumer's trends. |

For and on behalf of the Board of Directors

**Ishwar Chand Agarwal**
Chairman
DIN: 00011152
Jaipur, July 25, 2019

**'Annexure-N' to the Directors' Report**

# Certificate of CEO and CFO under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Board of Directors,

Genus Power Infrastructures Limited,

Dear Sirs,

We, Mr. Rajendra Kumar Agarwal, Managing Director & Chief Executive Officer ('CEO') and Mr. Nathu Lal Nama, Chief Financial Officer ('CFO') of the Company, Genus Power Infrastructures Limited, heading the Finance & Accounts functions, hereby certify as under:

(a) We have reviewed financial statements and the cash flow statement (Standalone and Consolidated) for the year ended March 31, 2019 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

   (i) significant changes, if any in internal control over financial reporting during the year;

   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

**Rajendra Kumar Agarwal**
Managing Director & CEO
(DIN: 00011127)

**Nathu Lal Nama**
Chief Financial Officer (CFO)
(ICAI M.No.: 074566)

Jaipur, May 11, 2019

# INDEPENDENT AUDITOR'S REPORT

To the Members of Genus Power Infrastructures Limited

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Genus Power Infrastructures Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Revenue from contracts with customers and related trade receivables | |
| Due to the nature of the contracts, significant portion of revenue recognition as disclosed in note 24 to the standalone financial statements involves judgements in identification of performance obligations and assessing whether control of goods/services is transferred over the time or at a point in time for each of the Company's performance obligations.<br><br>The usage of percentage of completion method on certain performance obligations within certain contracts, is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments (including estimate of future costs), the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts / onerous obligations. | Our audit procedures included the following<br><br>• Assessing the Company's revenue recognition accounting policies.<br><br>• We performed test of controls over revenue recognition with specific focus on identification of performance obligations, assessing recognition of revenue over the time or at a point in time, determination of progress of completion with respect to costs incurred and estimation of costs to complete the remaining contract obligations through inspection of evidence of performance of these controls.<br><br>• We performed test of details, on a sample basis and evaluated management estimates by comparing estimated cost with actual costs and discussion on the project specific considerations with the relevant project managers to projects selected on sample basis. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Further, the collection of amounts due from customers are dependent on the achievement of key milestones defined in the long-term contracts.<br><br>Considering the aforesaid judgements and estimates involved in recognition of revenues and the significance of achievement of key milestones for collection of outstanding receivables, the same has been considered as key audit matter. | • We examined contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates, probable penalties due to delay in contract execution and tested the adjustments made on consideration of such items.<br><br>• We tested the ageing of receivables as at year end and compared the age of items of receivables with the relevant milestones for collections as specified in the contract.<br><br>• In respect of material balances which are past due, additional procedures were performed i.e. testing of customer acceptances, review of historical payment records, correspondence with customers, etc.<br>• We evaluated the adequacy of the allowance for impairment made by management |
| **Utilisation of Minimum Alternate Tax ('MAT') Credit included under deferred tax assets (net) [as described in note 12 of the standalone financial statements]** | |
| The Company has deferred tax assets arising primarily on account of MAT Credit entitlement. The Company avails tax holiday benefits for certain plants which resulted in such MAT credit entitlements. The utilization of MAT credit depends on the ability of the Company to earn adequate taxable income to utilize the MAT Credit.<br><br>In order to assess the utilization of MAT credit, the Company has prepared forecast of future taxable income based on revenue and profit projections which involves judgements and estimations including the estimates of profits relating to taxable and non-taxable units.<br><br>We have identified this as a key audit matter, due to the judgement and estimation involved in the preparation of the forecasted future taxable income for the utilization of MAT credit. | Our procedures included, but were not limited to:<br><br>• Assessing the eligibility of MAT credit recognized and the judgements and estimated applied to determination of forecasted future taxable income to support the recognition of MAT credit entitlement;<br><br>• Assessing the historical accuracy of management's estimation of forecast taxable income;<br><br>• Testing the inputs and assumptions used in the preparation of forecasted taxable income against historical levels of taxable profits;<br><br>• Evaluating the basis used in determining the forecasted income of taxable and non-taxable units including allocations of costs;<br><br>• Reviewing correspondences/returns submitted to the relevant tax authorities and compared these with the basis for accounting entries;<br><br>• Assessing the related disclosures in Note 12 to the Standalone Financial Statements. |

We have determined that there are no other key audit matters to communicate in our report.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report and chairman's statement, but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the

Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 to the standalone financial statements; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.: 213271

Place of signature : Jaipur
Date : May 11, 2019

**For D. KHANNA & ASSOCIATES**
Firm registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No.: 092140

Place of Signature : Jaipur
Date : May 11, 2019

# Annexure 1 referred to the Independent Auditor's Report
# Re: Genus Power Infrastructures Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company had granted loans, the principal and interest thereof are re-payable on demand, to a company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans are not prejudicial to the Company's interest.

(b) The Company had granted loans that are re-payable on demand, to a company covered in the register maintained under section 189 of the Companies Act, 2013. The loan has been fully repaid during the year along with interest and there has been no default on the part of the parties to whom the money has been lent.

(c) There are no overdue amounts in respect of the loan granted to a company covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture or service of electricals and electronic machinery, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

| Name of the Statue | Nature of the Dues (Including interest and penalty where applicable) | Forum | Period to which amount relates (Financial Year) | Gross Amount (₹ In Lacs) | Amount Deposited under Protest (₹ In Lacs) | Net Amount (₹ In Lacs) |
|---|---|---|---|---|---|---|
| The Finance Act, 1994 | Service Tax | Customs, Excise and Service Tax Appellate Tribunal | 2006 - 2007 | 132.69 | - | 132.69 |
| The Central Excise Act, 1944 | Excise Duty | Customs, Excise and Service Tax Appellate Tribunal | 2007 – 2008<br>2009 – 2010 | 119.74 | 44.93 | 74.81 |
| | | Commissioner of Central Excise | 2012 – 2013<br>2013 – 2014<br>2014 – 2015 | 94.54 | - | 94.54 |

| Name of the Statue | Nature of the Dues (including interest and penalty where applicable) | Forum | Period to which amount relates (Financial Year) | Gross Amount (₹ In Lacs) | Amount Deposited under Protest (₹ In Lacs) | Net Amount (₹ In Lacs) |
|---|---|---|---|---|---|---|
| The Central Sales Tax Act, 1956 | Sales Tax | Assessing officer | 2009 – 2010 | 3.05 | 0.76 | 2.29 |
| | | Assistant Commissioner | 2010 – 2011 | 243.47 | 42.42 | 201.05 |
| | | Joint Commissioner (Appeals) | 2008 – 2009 | 263.62 | 160.00 | 103.62 |
| | | Deputy Commissioner (Appeals) | 2010 – 2011<br>2011 – 2012<br>2012 – 2013<br>2013 – 2014<br>2014 – 2015<br>2015 – 2016 | 76.14 | 29.97 | 46.17 |
| | | Rajasthan Tax Board | 2007 2008<br>2008 -2009 | 913.61 | 39.93 | 873.68 |
| The Bihar Value Added Tax Act, 2005 | Value Added Tax | Joint Commissioner (Appeals) | 2006 – 2007<br>2007 – 2008<br>2008 – 2009<br>2015 – 2016 | 19.50 | 5.77 | 13.73 |
| | | Assistant Commissioner | 2009 – 2010 | 40.67 | 10.17 | 30.50 |
| | | Commissioner | 2009 – 2010 | 375.29 | 117.54 | 257.75 |
| The Madhya Pradesh Value Added Tax Act, 2005 | Value Added Tax | Deputy Commissioner | 2009 – 2010<br>2010 – 2011<br>2012 – 2013 | 17.64 | 2.11 | 15.53 |
| The Assam Value Added Tax Act, 2003 | Value Added Tax | Joint Commissioner | 2013 – 2014<br>2014 – 2015 | 1,269.73 | - | 1,269.73 |
| The Rajasthan Value Added Tax Act, 2003 | Value Added Tax | Rajasthan Tax Board | 2008 – 2009 | 40.26 | 0.83 | 39.43 |
| | | Deputy Commissioner Appeals | 2010 – 2011<br>2011 – 2012<br>2012 – 2013<br>2013 – 2014<br>2014 – 2015<br>2015 – 2016 | 63.51 | 28.48 | 35.03 |
| The Rajasthan Tax on Entry of Goods into local Areas Act, 1999 | Entry Tax | High Court of Rajasthan | 2008 – 2009 | 9.25 | 9.25 | - |
| | | Deputy Commissioner Appeals | 2010 – 2011<br>2011 – 2012<br>2012 – 2013<br>2013 – 2014<br>2014 – 2015<br>2015 – 2016 | 33.28 | 15.92 | 17.36 |
| The West Bengal Value Added Tax Act, 2003 | Value Added Tax | Tribunal | 2009 – 2010<br>2010 – 2011<br>2011 – 2012<br>2013 – 2014 | 470.75 | 5.50 | 465.25 |
| | | Joint Commissioner (Appeals) | 2013 – 2014 | 89.90 | 13.28 | 76.62 |
| The Uttar Pradesh Value Added Tax Act, 2008 | Value Added Tax | Assessing Officer | 2014 – 2015 | 2.67 | 2.67 | - |

| Name of the Statue | Nature of the Dues (including interest and penalty where applicable) | Forum | Period to which amount relates (Financial Year) | Gross Amount (₹ in Lacs) | Amount Deposited under Protest (₹ in Lacs) | Net Amount (₹ in Lacs) |
|---|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | Commissioner of Income tax (Appeals) | 2008 – 2009<br>2009 – 2010<br>2010 – 2011<br>2012 – 2013<br>2013 – 2014 | 172.54 | 58.78 | 113.76 |
| | | Income Tax Appellate Tribunal | 2010 – 2011<br>2011 – 2012 | 61.72 | 5.66 | 56.06 |
| | | Supreme Court | 1999 – 2000<br>2000 – 2001<br>2002 – 2003<br>2003 – 2004<br>2004 – 2005<br>2006 – 2007<br>2007 – 2008 | 3,102.12 | - | 3,102.12 |

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, debenture holders, bank or government.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money way of initial public offer/further public offer/debt instruments and hence, not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.: 213271

Place of Signature : Jaipur
Date : May 11, 2019

**For D. KHANNA & ASSOCIATES**
Firm registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No.: 092140

Place of Signature : Jaipur
Date : May 11, 2019

# Annexure – 2 to the Independent Auditor's Report of even date on the standalone financial statements of Genus Power Infrastructures Limited

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Genus Power Infrastructures Limited ("the Company") as at March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.: 213271

Place of Signature : Jaipur
Date : May 11, 2019

**For D. KHANNA & ASSOCIATES**
Firm registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No.: 092140

Place of Signature : Jaipur
Date : May 11, 2019

## Genus Power Infrastructures Limited

CIN : L51909UP1992PLC051997

### Standalone balance sheet as at March 31, 2019

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

| | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 17,689.53 | 16,546.11 |
| Capital work-in-progress | 3 | 160.63 | 189.48 |
| Intangible assets | 3 | 111.40 | 122.87 |
| Investment in associates | 4 | 1,590.00 | 1,416.00 |
| Financial assets | | | |
| Investments | 5A | 6,842.45 | 3,679.65 |
| Loans | 6 | 3,028.32 | 5,393.78 |
| Other financial assets | 7 | 1,842.75 | 1,278.88 |
| Non financial assets | 8 | 1,339.84 | 1,772.52 |
| Deferred tax assets (net) | 12 | 3,724.97 | 3,671.95 |
| | | **36,329.89** | **34,071.24** |
| **Current assets** | | | |
| Inventories | 9 | 20,674.18 | 19,563.96 |
| Financial assets | | | |
| Investments | 5B | 12,405.12 | 12,465.79 |
| Investment in trust | 5B | 5,995.08 | 5,995.08 |
| Loans | 6 | 424.54 | 601.41 |
| Trade receivables | 10 | 57,307.56 | 50,834.69 |
| Cash and cash equivalents | 11 | 1,483.60 | 2,178.37 |
| Other bank balances | 11 | 2,422.92 | 1,590.38 |
| Other financial assets | 7 | 331.73 | 1,019.15 |
| Non financial assets | 8 | 2,886.74 | 3,853.78 |
| | | **103,931.47** | **98,102.61** |
| **TOTAL ASSETS** | | **140,261.36** | **132,173.85** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 13 | 2,573.59 | 2,572.29 |
| Share application money pending allotment | 14 | - | 6.69 |
| Other equity | 15 | 78,476.03 | 72,271.30 |
| **Total equity** | | **81,049.62** | **74,850.28** |
| | | | |
| **Liabilities** | | | |
| **Non current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 16A | 2,505.86 | 1,626.43 |
| Other financial liabilities | 17 | 908.80 | 584.85 |
| Provisions | 18 | 2,245.64 | 1,454.36 |
| Government grants | 19 | 167.65 | 202.33 |
| Net employee defined benefit liabilities | 20 | 204.52 | 100.96 |
| | | **6,032.47** | **3,968.93** |

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

| | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 16B | 24,234.09 | 22,141.91 |
| Trade payables | 21 | | |
| - Micro and small enterprises | | 6,081.88 | 385.13 |
| - Other than Micro and small enterprises | | 17,441.80 | 24,584.76 |
| Other financial liabilities | 17 | 1,252.31 | 555.84 |
| Government grants | 19 | 34.69 | 34.69 |
| Net employee defined benefit liabilities | 20 | 217.93 | 228.60 |
| Current tax liabilities (net) | 22 | - | 307.91 |
| Provisions | 18 | 1,176.38 | 1,037.46 |
| Non-financial liabilities | 23 | 2,740.19 | 4,078.34 |
| | | **53,179.27** | **53,354.64** |
| **TOTAL EQUITY AND LIABILITIES** | | **140,261.36** | **132,173.85** |
| Summary of significant accounting policies | 2.1 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

As per our report of even date
**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

**For and on behalf of the Board of Directors of**
**Genus Power Infrastructures Limited**

**Ishwar Chand Agarwal** — Chairman, DIN: 00011152

**Rajendra Kumar Agarwal** — Managing Director & CEO, DIN: 00011127

**Nathu Lal Nama** — Chief Financial Officer

**Ankit Jhanjhari** — Company Secretary

Place: Jaipur
Date: May 11, 2019

# Genus Power Infrastructures Limited

CIN : L51909UP1992PLC051997

## Standalone Statement of profit and loss for the year ended March 31, 2019

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

| | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **Income** | | | |
| Revenue from contracts with customers | 24 | 105,546.66 | 83,655.70 |
| Other income | 25 | 1,791.92 | 2,198.72 |
| **Total Income** | | **107,338.58** | **85,854.42** |
| **Expenses** | | | |
| Cost of raw material and components consumed | 26 | 73,671.63 | 58,967.82 |
| Change in inventories of finished goods and work-in-progress | 27 | (1,869.32) | (1,471.71) |
| Excise duty | | - | 150.58 |
| Employee benefit expenses | 28 | 9,815.32 | 8,576.58 |
| Other expenses | 29 | 11,135.94 | 8,131.11 |
| Depreciation and amortisation expenses | 30 | 1,939.86 | 1,714.14 |
| Finance costs | 31 | 3,391.29 | 2,276.60 |
| **Total expenses** | | **98,084.72** | **78,345.12** |
| **Profit before tax** | | **9,253.86** | **7,509.30** |
| **Tax expense** | | | |
| Current tax | | 1,974.03 | 1,630.77 |
| Deferred tax charge / (credit) | | (167.12) | 689.87 |
| Tax relating to earlier years | | 209.51 | 34.18 |
| **Total tax expense** | 32 | **2,016.42** | **2,354.82** |
| **Profit for the year** | | **7,237.44** | **5,154.48** |
| Other Comprehensive Income | 33 | | |
| **Items that will be reclassified to statement of profit or loss** | | | |
| Net movement on cash flow hedges | | - | 70.62 |
| Income tax effect | | - | (24.35) |
| **Items that will not be reclassified to statement of profit or loss** | | | |
| Re-measurement gains / (loss) on defined benefit plans | | (16.34) | 29.36 |
| Net gain/ (loss) on FVTOCI on equity securities | | 128.54 | 274.02 |
| Income tax effect | | (38.30) | (101.95) |
| **Total other comprehensive income for the year, net of tax** | | **73.90** | **247.70** |
| **Total comprehensive income for the year, net of tax** | | **7,311.34** | **5,402.18** |
| **Earnings per share (In Indian Rupees per share):** | 45 | | |
| Basic earnings per share | | **2.81** | **2.00** |
| Diluted earnings per share | | **2.81** | **2.00** |
| Nominal value per equity share | | **1.00** | **1.00** |
| Summary of significant accounting policies | 2.1 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

As per our report of even date
**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

**For and on behalf of the Board of Directors of Genus Power Infrastructures Limited**

**Ishwar Chand Agarwal** Chairman
DIN: 00011152

**Rajendra Kumar Agarwal** Managing Director & CEO
DIN: 00011127

**Nathu Lal Nama** Chief Financial Officer
**Ankit Jhanjhari** Company Secretary
Place: Jaipur
Date: May 11, 2019

## Genus Power Infrastructures Limited

CIN : L51909UP1992PLC051997

### Statement of Standalone Cash Flows for year ended March 31, 2019

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Profit before tax** | **9,253.86** | **7,509.30** |
| | | |
| **Cash flows from operating activities** | | |
| Adjustments for : | | |
| Depreciation and amortisation expenses | 1,939.86 | 1,714.14 |
| Loss on sale of property, plant and equipment (net) | 57.89 | 124.26 |
| Income from government grants | (34.69) | (34.69) |
| Liquidated damages and bad debts written off (net) | 2,424.09 | 1,340.56 |
| Interest expense | 3,391.29 | 2,276.60 |
| Interest income | (828.09) | (817.55) |
| Share based payment expense | 19.47 | (22.92) |
| Net loss/ (gain) on foreign exchange fluctuations (unrealised) | (420.52) | (527.47) |
| Liabilities no longer required written back | (126.35) | (76.66) |
| Gain on financial instruments at fair value through profit or loss | (703.94) | (821.16) |
| **Operating profit before working capital changes** | **14,972.87** | **10,664.41** |
| | | |
| **Movement in working capital:** | | |
| Increase in inventories | (1,110.22) | (7,959.57) |
| Increase in trade receivables | (9,338.18) | (17,328.45) |
| Decrease/ (increase) in loans and other financial assets | 2,542.33 | (83.61) |
| Decrease/ (increase) in non-financial assets | 1,282.42 | (1,503.57) |
| (Decrease)/ increase in trade payables | (899.34) | 16,135.03 |
| Increase in financial, non-financial liabilities and provisions | 71.66 | 1,943.93 |
| **Cash generated from operations** | **7,521.54** | **1,868.17** |
| Income tax paid (net) | (2,471.06) | (1,228.15) |
| **Net cash flows from operating activities (A)** | **5,050.48** | **640.02** |
| | | |
| **Cash flows used in investing activities** | | |
| Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances | (2,990.32) | (2,602.11) |
| Proceeds from sale of property, plant and equipment | 3.16 | 4.27 |
| Proceeds from Genus Shareholders' Trust | - | 96.28 |
| Investment in associates | (174.00) | (816.00) |
| Investment in preference shares | (2,300.00) | - |
| Investment in equity shares | (435.00) | 567.18 |
| Sale / (Purchase) of mutual fund (net) | 764.60 | 1,810.13 |
| Decrease in margin money deposits (net) | (955.19) | 114.66 |
| Interest received | 1,216.26 | 311.36 |
| **Net cash flows used in investing activities (B)** | **(4,870.49)** | **(514.23)** |
| | | |
| **Net cash flows used in financing activities** | | |
| Cash proceeds from issue of equity shares (including share application money received) | 4.33 | 9.96 |
| Repayment of long - term borrowings | (295.11) | (75.48) |
| Proceeds of long - term borrowings | 1,828.73 | 1,722.71 |
| Proceeds / (Repayment) of short - term borrowings (net) | 780.78 | (636.36) |
| Dividend and tax on dividend paid | (1,131.68) | (1,070.61) |
| Interest paid | (3,373.21) | (2,285.93) |

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

| | | |
|---|---|---|
| **Net cash flows used in financing activities (C)** | **(2,186.16)** | **(2,335.71)** |
| Net decrease in cash and cash equivalents (A+B+C) | (2,006.17) | (2,209.92) |
| Cash and cash equivalents at the beginning of the year | (14,299.00) | (12,089.08) |
| **Cash and cash equivalents at the year end** | **(16,305.17)** | **(14,299.00)** |
| Components of cash and cash equivalents: | | |
| Balance with banks: | | |
| In current account | 106.73 | 281.46 |
| In cash credit account | 69.35 | 1,470.92 |
| In foreign currency account | 164.43 | 78.73 |
| In deposits with original maturity of less than three months | 1,084.54 | 298.14 |
| In unpaid dividend account* | 43.32 | 39.20 |
| Cash in hand | 15.23 | 9.92 |
| Cash credit from banks | (17,788.77) | (16,477.37) |
| **Total cash and cash Equivalents** | **(16,305.17)** | **(14,299.00)** |

*can be utilised only for payment of dividends

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

As per our report of even date
**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

**For and on behalf of the Board of Directors of**
**Genus Power Infrastructures Limited**

**Ishwar Chand Agarwal** Chairman
DIN: 00011152

**Rajendra Kumar Agarwal** Managing Director & CEO
DIN: 00011127

**Nathu Lal Nama** Chief Financial Officer
**Ankit Jhanjhari** Company Secretary
Place: Jaipur
Date: May 11, 2019

# Genus Power Infrastructures Limited

CIN : L51909UP1992PLC051997

## Standalone Statement of Changes in Equity for the year ended March 31, 2019

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

**(a) Equity Share Capital**

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| **Equity Shares of Re.1 each, fully paid up** | **No. of Shares** | **Amount** | **No. of Shares** | **Amount** |
| **At the beginning of the year** | 257,229,331 | 2,572.29 | 257,183,714 | 2,571.83 |
| Issued during the year under Employee Stock Option Plan | 129,634 | 1.30 | 45,617 | 0.46 |
| **At the end of the year** | **257,358,965** | **2,573.59** | **257,229,331** | **2,572.29** |

| **(b) Share Application Money Pending Allotment** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| Share Application Money - ESOP | - | 6.69 |
| | **-** | **6.69** |

**(c) Other Equity**

| Particulars | Reserves and surplus: Capital reserve | Reserves and surplus: Securities Premium | Reserves and surplus: Share Based Payment | Reserves and surplus: General reserve | Reserves and surplus: Retained Earnings | Items of OCI: Other comprehensive Income | Total |
|---|---|---|---|---|---|---|---|
| **As at April 01, 2017** | 294.62 | 8,150.89 | 32.53 | 11,770.90 | 47,002.61 | 625.38 | 67,876.93 |
| Profit for the year | - | - | - | - | 5,154.48 | - | 5,154.48 |
| Other comprehensive income (Note 33) | - | - | - | - | - | 247.70 | 247.70 |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **5,154.48** | **247.70** | **5,402.18** |
| Premium on exercise of employee stock options | - | 2.81 | - | - | - | - | 2.81 |
| Compensation cost of options granted | - | - | (22.92) | - | - | - | (22.92) |
| Proceeds from Genus Shareholders' Trust | - | - | - | 96.30 | - | - | 96.30 |
| Dividend on equity shares - (Note 15A) | - | - | - | - | (900.30) | - | (900.30) |
| Tax on dividend on equity shares - (Note 15A) | - | - | - | - | (183.70) | - | (183.70) |
| **As at March 31, 2018** | **294.62** | **8,153.70** | **9.61** | **11,867.20** | **51,073.09** | **873.08** | **72,271.30** |
| Profit for the year | - | - | - | - | 7,237.44 | - | 7,237.44 |
| Other comprehensive income (Note 33) | - | - | - | - | - | 73.90 | 73.90 |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **7,237.44** | **73.90** | **7,311.34** |
| Premium on exercise of employee stock options | - | 9.72 | - | - | - | - | 9.72 |
| Compensation cost of options granted | - | - | 19.47 | - | - | - | 19.47 |
| Proceeds from Genus Shareholders' Trust | - | - | - | - | - | - | - |
| Dividend on equity shares - (Note 15A) | - | - | - | - | (942.14) | - | (942.14) |
| Tax on dividend on equity shares - (Note 15A) | - | - | - | - | (193.66) | - | (193.66) |
| **As at March 31, 2019** | **294.62** | **8,163.42** | **29.08** | **11,867.20** | **57,174.73** | **946.98** | **78,476.03** |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

As per our report of even date
**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

**For and on behalf of the Board of Directors of Genus Power Infrastructures Limited**

**Ishwar Chand Agarwal** Chairman
DIN: 00011152

**Rajendra Kumar Agarwal** Managing Director & CEO
DIN: 00011127

**Nathu Lal Nama** Chief Financial Officer
**Ankit Jhanjhari** Company Secretary
Place: Jaipur
Date: May 11, 2019

## Genus Power Infrastructures Limited

CIN : L51909UP1992PLC051997

### Notes to the standalone financial statements for the year ended March 2019

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

**1. Corporate Information**

Genus Power Infrastructures Limited (referred to as "Genus" or the "Company") is a public company domiciled in India.The Company is primarily engaged in the business of manufacturing / providing 'Metering and Metering Solutionsand undertaking 'Engineering, Construction and Contracts'on turnkey basis. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The registered office of the Company is located at G-14, Sector-63, Noida, Uttar Pradesh-201307 and corporate office at SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur, Rajasthan -302022.

The Standalone Financial statement were authorised for issue in accordance with a resolution of the directors on May 11, 2019.

**2. Significant Accounting Policies**

**2.1 Basis of Preparation**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statements.

The standalone financial statement has been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policies regarding financial instruments)

The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

**2.2 Summary of Significant Accounting Policies**

**a. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**b. Foreign currencies**

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company in INR at spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**c. Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**d. Revenue from Contract with Customer**

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company applied Ind AS 115 for the first time. Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the standalone Ind AS financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company has adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to contracts that are not completed as at 1 April 2018.

The cumulative effect of initially applying Ind AS 115, if any, is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information is not restated and continues to be reported under Ind AS 11 and Ind AS 18.

There has been no significant Impact of adopting Ind AS 115 as at 1 April 2018.

The Goods and service Tax (GST) is not received by the Company on its own account. It is a tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it has been excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

**Determination of Performance Obligation**

Separate performance obligation has been identified in metering projects at contract inception wherein the Company engages itself into Supply and Installation of Meters.

In cases of projects involving supply and installation of bought-out items, the Company has referred to paragraph B19 of Ind AS 115, wherein, the objective of measuring progress in satisfying a performance obligation is not achieved until significant installation of the bought-out item has been made. In such cases, the revenue has been recognised on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

**Revenue from sale of goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Company considers whether there are other promises in the contract that are separate performance obligation to which a portion of the transaction price needs to be allocated.

**Revenue from Installation and other services**

The Company provides installation services that are bundled together with the sale of products to a customer. The installation services can be obtained from other providers and do not significantly customise or modify the meter or related products manufactured.

Contracts for bundled sales of meters and related products and installation services are comprised of two performance obligations because the promises to transfer equipment and provide installation services are capable of being distinct and separately identifiable.

The Company recognises revenue from installation services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from the sale of the meters and related products are recognised at a point in time, generally upon delivery of the equipment.

**Revenue from Erection Contracts**

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The percentage of completion is determined by the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. However, profit is not recognized unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revision to estimates is included in the income statement of the year in which revisions are made. Contract revenue earned in excess of billing has been reflected under "Other current assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the balance sheet.

Price Escalation and other claims or variations in the contract works are included in contract revenue only when:

i. Negotiations have reached to an advanced stage such that it is probable that customer will accept the claim; and

ii. The amount that is probable will be accepted by the customer and can be measured reliably.

**Contract costs**

Costs related to work performed in projects are recognised on an accrual basis, and the costs actually incurred in completing the work performed are recognised as an expense, together with those which, even though they are expected to be incurred in the future, have to be allocated to the work completed to date.

**Contract modifications**

Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. Modifications to the initial contract require the customer's technical and/or financial approval before billings can be issued and the amounts relating to the additional work can be collected. The Company does not recognise the revenue from such additional work until the customer's either of the technical or financial approval has been obtained. In cases where the additional work has been approved but the corresponding change in price has not been determined, the requirement described below for variable consideration is applied: namely, to recognise revenue for an amount with respect to which it is highly probable that a significant reversal will not occur.

**Claims**

A claim is a request for payment of compensation from the customer (for example, for compensation, reimbursement of prolongation costs, etc) that is rejected and being disputed by the customer under the contract. The revenue relating to claims which are pending before various judicial authorities are not recognized till the time it is established that such amounts are clearly due and enforceable.

**Interest income**

For all financial instrument measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included under the head "other income" in the statement of profit and loss.

**e. Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

**f. Taxes**

**Current Income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilised during the specified period, i.e., the period for which such credit is allowed to be utilised.

**g. Property, Plant & Equipment**

Property, plant and equipment and capital work in progress are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other (income)/expense, net" in the statement of profit and loss.

Premium paid on leasehold land is amortised over the lease term which is from 90 to 99 years.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which is equal to the life prescribed under the Schedule II to the Companies Act, 2013.

The lives of the assets are as follows:

| Assets | Life of the assets (In Years) |
|---|---|
| Buildings | 30 - 60 |
| Plant and Equipment | 6 - 15 |
| Furniture & Fixtures | 10 |
| Vehicles | 8 |
| Office Equipment | 5 |
| Computers | 3-6 |
| Windmill | 22 |

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

**h. Intangible Assets**

Costs relating to computer software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of three years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**i. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**j. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee**

Operating lease payments are recognised as an expense in the statement of profit and loss over the lease term.

**k. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and Components: Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost of finished goods includes excise duty.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**l. Impairment of Non- Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit and loss.

**m. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past eventand it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Warranty Provision**

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**Liquidated damages**

Provision for liquidated damages are recognised on contracts for which delivery dates are exceeded and computed in reasonable manner.

**Other Litigation claims**

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

**Onerous contracts**

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

**n. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation under purchase unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

**o. Share Based Payments**

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the Company or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**p. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instrument at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity investments:**

All equity investments are measured at fair value except for equity investment in Associates which have been measured at cost. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If an equity instrument is classified as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments classified as FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) the rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset, and

(i) the Company has transferred substantially all the risks and rewards of the asset, or

(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Financial Guarantee Contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**q. Derivative Financial Instruments**

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss. The foreign exchange forward are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

**r. Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**s. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares outstanding, for the effects of all dilutive potential shares.

**t. Segment reporting**

The Company's operations predominately relate only to power segment and accordingly this is the only segment primary segment. Further the geographical segment is based on the areas in which major operating divisions of the Company operates.

**u. Contingent Liability and contingent assets**

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise the contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise the contingent assets but discloses its existence in the financial statements.

**v. CSR expenditure**

The Company has opted to charge its CSR expenditure incurred during the year to the statement of profit and loss.

**2.3 Change in accounting policies and disclosures**

**New and amended standards**

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018. There were no significant adjustments required to the retained earnings at April 01, 2018.

(All amounts are in lacs of Indian Rupees except share data and unless otherwise stated)

**3 Property, Plant and Equipment**

| | Leasehold land | Freehold land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Windmill | Total - Property, plant and equipment | Intangibles - Computer Software |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value (cost or deemed cost)** | | | | | | | | | | | |
| **At March 31, 2017** | **1,559.42** | **600.41** | **6,539.67** | **8,792.90** | **131.29** | **564.16** | **102.15** | **206.47** | **355.20** | **18,851.68** | **253.94** |
| Additions | - | - | 627.40 | 1,287.36 | 25.01 | 110.27 | 14.46 | 64.16 | - | 2,128.66 | 29.72 |
| Disposals | - | - | - | (130.52) | (0.14) | (6.22) | (0.52) | (3.69) | - | (141.09) | - |
| **At March 31, 2018** | **1,559.42** | **600.41** | **7,167.07** | **9,949.74** | **156.16** | **668.21** | **116.09** | **266.94** | **355.20** | **20,839.25** | **283.66** |
| Additions | - | - | 4.59 | 2,737.59 | 32.71 | 141.29 | 12.09 | 156.65 | - | 3,084.92 | 47.94 |
| Disposals | - | - | - | (214.71) | (8.32) | (40.18) | (13.61) | (19.81) | - | (296.63) | (4.05) |
| **At March 31, 2019** | **1,559.42** | **600.41** | **7,171.66** | **12,472.62** | **180.55** | **769.32** | **114.57** | **403.78** | **355.20** | **23,627.54** | **327.55** |
| **Depreciation and amortisation** | | | | | | | | | | | |
| **At March 31, 2017** | **31.29** | **-** | **411.06** | **1,951.13** | **36.04** | **120.02** | **50.91** | **4.22** | **50.64** | **2,655.31** | **97.03** |
| Charge for the year | 18.14 | - | 260.46 | 1,162.71 | 17.38 | 79.16 | 17.46 | 69.75 | 25.32 | 1,650.38 | 63.76 |
| Disposals | - | - | - | (12.34) | (0.02) | (0.01) | (0.05) | (0.13) | - | (12.55) | - |
| **At March 31, 2018** | **49.43** | **-** | **671.52** | **3,101.50** | **53.40** | **199.17** | **68.32** | **73.84** | **75.96** | **4,293.14** | **160.79** |
| Charge for the year | 18.14 | - | 245.12 | 1,388.97 | 19.53 | 84.88 | 13.92 | 84.77 | 25.32 | 1,880.65 | 59.21 |
| Disposals | - | - | - | (164.13) | (7.92) | (32.74) | (12.41) | (18.58) | - | (235.78) | (3.85) |
| **At March 31, 2019** | **67.57** | **-** | **916.64** | **4,326.34** | **65.01** | **251.31** | **69.83** | **140.03** | **101.28** | **5,938.01** | **216.15** |
| **Net block** | | | | | | | | | | | |
| **At March 31, 2018** | **1,509.99** | **600.41** | **6,495.55** | **6,848.24** | **102.76** | **469.04** | **47.77** | **193.10** | **279.24** | **16,546.11** | **122.87** |
| **At March 31, 2019** | **1,491.85** | **600.41** | **6,255.02** | **8,146.28** | **115.54** | **518.01** | **44.74** | **263.75** | **253.92** | **17,689.53** | **111.40** |

Capital work-in-progress ₹ 160.63 Lacs (March 31, 2018: ₹ 189.48 Lacs)

**Notes**

1. Additions to property, plant and equipment during the year includes capital expenditure towards research centre aggregating to ₹ 74.55 Lacs (March 31, 2018: ₹ 81.29 Lacs) [refer note 44(b)].
2. Refer Note 16 for details of property, plant and equipment pledged as security against borrowings obtained by the Company.

(All amounts are in lacs of Indian Rupees except share data and unless otherwise stated)

| | | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| 4 | **Investments in associates** | | | |
| | Long term, unquoted, in fully paid equity shares at cost | | | |
| | 49,335 (March 31, 2018: 49,335) Equity Shares of ₹ 100 each of M.K.J. Manufacturing Private Limited | | 600.00 | 600.00 |
| | 9,900,000 (March 31, 2018: 8,160,000) Equity Shares of ₹ 10 each of Greentech Mega Food Park Limited | | 990.00 | 816.00 |
| | | | **1,590.00** | **1,416.00** |
| | Aggregate value of unquoted investments | | 1,590.00 | 1,416.00 |
| 5 | **Investments** | | | |
| A. | **Non-current investments** | | | |
| (a.) | **Investment at fair value through OCI (fully paid)** | | | |
| i. | **Long term, quoted, in fully paid equity shares** | | | |
| | 500,000 (March 31, 2018: 500,000) Equity Shares of ₹ 1 each in Genus Paper & Boards Limited | | 37.00 | 60.75 |
| | | (I) | **37.00** | **60.75** |
| ii. | **Long term, unquoted, in fully paid equity shares** | | | |
| | 536,912 (March 31, 2018: 536,912) Equity Shares of ₹10 each of Genus Innovation Limited | | 817.71 | 895.46 |
| | 6,177,586 (March 31, 2018: 4,677,586) Equity Shares of ₹10 each of Yajur Commodities Limited | | 2,060.84 | 1,395.80 |
| | | (II) | **2,878.55** | **2,291.26** |
| (b.) | **Investment at amortised cost (fully paid)** | | | |
| I. | **Long term, unquoted, in fully paid preference shares** | | | |
| | 600,000 (March 31, 2018: 600,000) 6% Redeemable, non cumulative, non convertible preference shares ₹ 100 each of Kailash Industries Limited | | 151.12 | 138.64 |
| | 60,000 (March 31, 2018: 60,000) 6% Redeemable, non cumulative, non convertible preference shares ₹100 each of Kailash Vidyut & Ispat Limited | | 15.11 | 13.86 |
| | 2,300,000 (March 31, 2018 : NIL) 9% Redemable, cumulative, non-convertible preference shares of ₹ 100 each of Yajur Commodities Limited | | 2,491.52 | - |
| | 2,200,000 (March 31, 2018 : 2,200,000) 6% Redemable, non-cumulative, non-convertible preference shares of ₹ 100 each of Yajur Commodities Limited | | 1,019.03 | 943.54 |
| | 500,000 (March 31, 2018 : 500,000) 6% Redemable, non-cumulative, non-convertible preference shares of ₹ 100 each of Yajur Commodities Limited | | 250.12 | 231.60 |
| | | (III) | **3,926.90** | **1,327.64** |
| | | (I)+(II)+(III) | **6,842.45** | **3,679.65** |
| **Notes:** | | | | |
| 1 | Aggregate value of quoted investments | | 37.00 | 60.75 |
| 2 | Aggregate value of unquoted investments | | 6,805.45 | 3,618.90 |
| | | | **6,842.45** | **3,679.65** |
| | | | **March 31, 2019** | **March 31, 2018** |
| B. | **Current investments** | | | |
| | **Investment in units of mutual fund at fair value through Profit or Loss** | | | |
| | 439,166.637 (March 31, 2018: 439,166.637) unit Motilal Oswal Most Focused Multicap 35 Fund - Regular Growth | | 114.07 | 115.52 |
| | 17,865,429.912 (March 31, 2018: NIL) unit HDFC Credit Risk Debt Fund - Regular Plan - Growth | | 2,725.39 | - |
| | 8,148,570.667 (March 31, 2018: NIL) unit ABSL Credit Risk Fund - Growth Direct | | 1,157.02 | - |
| | 9,573,091.712 (March 31, 2018: NIL) unit SBI Debt Fund Series C - 28 (1,240 Days) Direct Plan Growth | | 1,005.61 | - |
| | 4,322,128.001 (March 31, 2018: NIL) unit L&T Credit Risk Fund - Growth | | 911.52 | - |
| | 4,213,899.070 (March 31, 2018: NIL) unit L&T Income Opportunities Fund Direct Plan Growth | | 915.44 | - |
| | 4,251,587.702 (March 31, 2018: NIL) unit ICICI Prudential Credit Risk Fund - Growth | | 844.73 | - |
| | 25,856.104 (March 31, 2018: NIL) unit Baroda Treasury Advantage Fund - Plan A Growth | | 561.00 | - |
| | 18455.873(March 31, 2018: NIL) unit Baroda Treasury Advantage Fund - Plan A Growth | | 400.53 | - |
| | 1,909,111.042 (March 31, 2018: NIL) unit ABSL Credit Risk Fund - Growth Regular | | 260.96 | - |
| | 1,710,000.000 (March 31, 2018: NIL) unit SBI Debt Fund Series C - 26 (1,125 Days) Direct Plan Growth | | 181.88 | - |

| | | | |
|---|---|---|---|
| | 199,990.000 (March 31, 2018: NIL) unit Baroda Dynamic Equity Fund- Regular Growth | 21.12 | - |
| | NIL (March 31, 2018: 3,712,632.355) unit SBI Magnum Income Fund - Direct Plan - Growth | - | 1,618.64 |
| | NIL (March 31, 2018: 5,228,466.560) unit SBI Magnum Medium duration Fund - Direct Plan -Growth | - | 1,642.14 |
| | NIL (March 31, 2018: 1,257,798.350) unit SBI Magnum Income Fund - Regular Plan -Growth | - | 533.74 |
| | NIL (March 31, 2018: 1,500,437.002) unit DSP BlackRock Credit Risk Fund - Regular Plan - Growth | - | 429.82 |
| | NIL (March 31, 2018: 1,875,546.253) unit DSP BlackRock Credit Risk Fund - Regular Plan - Growth | - | 537.28 |
| | NIL (March 31, 2018: 5,962,721.068 ) unit ABSL ST Opportunities Fund - Growth Regular Plan | - | 1,720.56 |
| | NIL (March 31, 2018: 4,946,479.096) unit ABSL Medium Term Plan - Growth Regular Plan | - | 1,087.12 |
| | NIL (March 31, 2018: 60,436.971) unit Franklin India Short Term Income Plan - Retail Plan - Growth | - | 2,218.19 |
| | NIL (March 31, 2018: 7,442,608.205 ) unit HDFC Short Term Plan - Regular Plan - Growth | - | 2,562.78 |
| | **Investment in units of Bonds at fair value through Profit or Loss** | | |
| | 50 (March 31, 2018: NIL) unit 7.17% RIL 08 Nov 2022 | 500.61 | - |
| | 50 (March 31, 2018: NIL) unit 8.37% NABARD 03 Aug 2021 | 535.05 | - |
| | 50 (March 31, 2018: NIL) unit 8.50% NABARD 31 Jan 2023 | 520.19 | - |
| | 70 (March 31, 2018: NIL) unit 8.70% HDFC 15 Dec 2020 | 718.06 | - |
| | 100 (March 31, 2018: NIL) unit 8.80% LIC HF 24 Dec 2020 | 1,031.94 | - |
| | | **12,405.12** | **12,465.79** |
| | **Investments held at cost** | | |
| | Genus Shareholder's Trust (Where the Company is the sole beneficary)* | 5,995.08 | 5,995.08 |
| | | **5,995.08** | **5,995.08** |
| | **Notes:** | | |
| | 1 Aggregate value of quoted investments | 12,405.12 | 12,465.79 |
| | 2 Aggregate value of unquoted investments | 5,995.08 | 5,995.08 |

* Pursuant to the scheme of amalgamation approved by the Hon'ble Allahabad High Court in 2013 - 14, the shares of the Company held by the Company and Genus Paper & Boards Limited (formerly known as Genus Paper Products Limited) were consequently transferred to Genus Shareholders' Trust for the benefit of the Company and its Shareholders. The trust is administered by an independent trustee. The trust is holding 27,543,850 equity shares of Genus Power Infrastructures Limited and 47,543,850 equity shares of Genus Paper & Boards Limited (March 31, 2018: 27,543,850 of Genus Power Infrastructures Limited and 47,543,850 equity shares of Genus Paper & Boards Limited).

| 6 | Loans | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **(Unsecured, considered good unless stated otherwise)** | | |
| | **A. Non current** | | |
| | Trade deposits | 262.89 | 258.30 |
| | Loan and advances to related parties | 960.93 | 3,330.98 |
| | | **1,223.82** | **3,589.28** |
| | **Other loans and advances** | | |
| | Loans to others | 1,804.50 | 1,804.50 |
| | | **1,804.50** | **1,804.50** |
| | | **3,028.32** | **5,393.78** |
| | **B. Current** | | |
| | Trade deposits | 382.42 | 584.61 |
| | | 382.42 | 584.61 |
| | **Other loans and advances** | | |
| | Other claim receivable | 42.12 | 16.80 |
| | | **42.12** | **16.80** |
| | **Total** | **424.54** | **601.41** |
| | Refer note 46 for advances due from related parties | | |

| 7 | Other financial assets | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **(Unsecured, considered good)** | | |
| | **A. Non current** | | |
| | Retention money and other receivable (refer note 10) | 826.90 | 385.68 |
| | Non current bank balances (refer note 11) | 1,015.85 | 893.20 |
| | | **1,842.75** | **1,278.88** |

| | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **B. Current** | | |
| | Interest receivable | 331.73 | 1,019.15 |
| | | **331.73** | **1,019.15** |
| **8** | **Non financial assets** | **March 31, 2019** | **March 31, 2018** |
| | **(Unsecured, considered good)** | | |
| | **A. Non current** | | |
| | Capital advances | 154.59 | 327.31 |
| | Advance income-tax (net of provision for taxation) | 78.42 | 23.00 |
| | Balance with statutory/ government authorities | 1,106.83 | 1,422.21 |
| | | **1,339.84** | **1,772.52** |
| | **B. Current** | | |
| | Advances recoverable in cash or kind | 463.29 | 577.25 |
| | Prepaid expenses | 232.31 | 253.50 |
| | Balance with statutory/ government authorities | 2,073.82 | 2,975.40 |
| | Export incentives receivable | 117.32 | 47.63 |
| | | **2,886.74** | **3,853.78** |
| **9** | **Inventories** | **March 31, 2019** | **March 31, 2018** |
| | **(Valued at lower of cost and net realisable value)** | | |
| | Raw materials | 11,896.61 | 12,655.71 |
| | Work-in-progress | 2,484.42 | 2,341.92 |
| | Finished goods | 6,293.15 | 4,566.33 |
| | | **20,674.18** | **19,563.96** |
| **10** | **Trade receivables** | **March 31, 2019** | **March 31, 2018** |
| | **(Unsecured, considered good unless otherwise stated)** | | |
| | From related party (refer note 46) | 3,640.42 | 3,302.74 |
| | From other parties | 53,667.14 | 47,531.95 |
| | **Total** | **57,307.56** | **50,834.69** |
| | | | |
| | **Breakup of security details** | | |
| | **Non Current** | | |
| | Unsecured, considered good | 826.90 | 385.68 |
| | Amount disclosed under non current other financial assets (refer note 7) | (826.90) | (385.68) |
| | | - | - |
| | **Current** | | |
| | Unsecured, considered good | 57,307.56 | 50,834.69 |
| | Trade Receivables - credit impaired | 492.13 | 492.13 |
| | | **57,799.69** | **51,326.82** |
| | **Impairment allowances** | | |
| | Credit impaired | (492.13) | (492.13) |
| | | **57,307.56** | **50,834.69** |
| **11** | **Cash and bank balances** | **March 31, 2019** | **March 31, 2018** |
| | **A. Cash and cash equivalents** | | |
| | **Current** | | |
| | Balance with banks: | | |
| | In current account | 106.73 | 281.46 |
| | In cash credit account | 69.35 | 1,470.92 |
| | In foreign currency account | 164.43 | 78.73 |
| | In deposits with original maturity of less than three months | 1,084.54 | 298.14 |
| | In unpaid dividend account* | 43.32 | 39.20 |
| | Cash in hand | 15.23 | 9.92 |
| | | **1,483.60** | **2,178.37** |

| | | |
|---|---|---|
| **B. Other bank balances** | | |
| **Non Current** | | |
| Margin money deposits | 1,015.85 | 893.20 |
| | **1,015.85** | **893.20** |
| Amount disclosed under non current other financial assets (refer note 7) | (1,015.85) | (893.20) |
| | - | - |
| **Current** | | |
| Margin money deposits | 2,422.92 | 1,590.38 |
| | **2,422.92** | **1,590.38** |
| * Can be utilised only for payment of dividend. | | |

| **Breakup of financial assets carried at amortised cost/ fair value** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| Investments | 25,242.65 | 22,140.52 |
| Loans | 3,452.86 | 5,995.19 |
| Trade receivable | 57,307.56 | 50,834.69 |
| Cash and bank balances | 4,922.37 | 4,661.95 |
| Other financials assets | 1,158.63 | 1,404.83 |
| **Total financial assets carried at amortised cost/ fair value** | **92,084.07** | **85,037.18** |

| **12 Deferred tax assets (net)** | | **March 31, 2019** | **March 31, 2018** |
|---|---|---|---|
| **Deferred tax liability arising on account of temporary differences relating to:** | | | |
| Accelerated depreciation for tax purposes | | (1,212.62) | (1,231.39) |
| Impact on account of investment carried at FVTPL | | (273.91) | (453.50) |
| Impact on account of investment carried at FVTOCI | | (481.40) | (443.36) |
| Others | | (7.05) | - |
| Impact on account of re-measurement loss on defined benefit plans | | (12.68) | (12.42) |
| | **(A)** | **(1,987.66)** | **(2,140.67)** |
| **Deferred tax asset arising on account of temporary differences relating to:** | | | |
| Impact on account of employee benefits | | 223.73 | 190.64 |
| Provision for credit risk impaired | | 171.97 | 171.97 |
| Discount of retention money | | - | 16.96 |
| Impact on account of investment carried at amortised cost | | 669.87 | 710.19 |
| MAT credit entitlement* | | 4,647.06 | 4,722.86 |
| | **(B)** | **5,712.63** | **5,812.62** |
| | **Net defeered tax assets (A)+(B)** | **3,724.97** | **3,671.95** |

| **Deferred tax assets (net):** | **Opening balance** | **Recognised in statement of profit & loss** | **Recognised in OCI** | **Closing balance** |
|---|---|---|---|---|
| **For the year ended March 31, 2019** | | | | |
| Accelerated depreciation for tax purposes | (1,231.39) | 18.77 | - | (1,212.62) |
| Impact on account of investment carried at FVTPL | (453.50) | 179.59 | - | (273.91) |
| Impact on account of investment carried at FVTOCI | (443.36) | - | (38.04) | (481.40) |
| Impact on account of re-measurement loss on defined benefit plans | (12.42) | - | (0.26) | (12.68) |
| Impact on account of employee benefits | 190.64 | 33.09 | - | 223.73 |
| Provision for credit risk impaired | 171.97 | - | - | 171.97 |
| Discount of retention money | 16.96 | (16.96) | - | - |
| Impact on account of investment carried at amortised cost | 710.19 | (40.32) | - | 669.88 |
| Others | - | (7.05) | - | (7.05) |
| MAT credit entitlement* | 4,722.86 | (75.80) | - | 4,647.05 |
| | **3,671.95** | **91.32** | **(38.30)** | **3,724.97** |
| **For the year ended March 31, 2018** | | | | |
| Accelerated depreciation for tax purposes | (1,023.22) | (208.17) | - | (1,231.39) |
| Impact on account of investment carried at FVTPL | (119.82) | (333.68) | - | (453.50) |

| | | | | |
|---|---|---|---|---|
| Impact on account of investment carried at FVTOCI | (341.53) | - | (101.83) | (443.36) |
| Impact on account of re-measurement loss on defined benefit plans | (12.30) | - | (0.12) | (12.42) |
| Impact on account of employee benefits | 190.20 | 0.44 | - | 190.64 |
| Provision for credit risk impaired | 290.47 | (118.50) | - | 171.97 |
| Discount of retention money | 33.54 | (16.58) | - | 16.96 |
| Impact on account of investment carried at amortised cost | 723.57 | (13.38) | - | 710.19 |
| Others | 24.35 | - | (24.35) | - |
| MAT credit entitlement* | 4,827.30 | (104.44) | - | 4,722.86 |
| | **4,592.56** | **(794.31)** | **(126.30)** | **3,671.95** |

* MAT Credit entitlement is included in current tax expense. The Company is confident of utilising the MAT Credit balance before the expiry of the statutory time limit.

| 13 Share capital | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Authorised | | |
| 631,600,000 (March 31, 2018: 631,600,000) equity shares of ₹ 1 each | 6,316.00 | 6,316.00 |
| 504,000 (March 31, 2018: 504,000) 10% redeemable preference shares of ₹100 each | 504.00 | 504.00 |
| 1,500,000 (March 31, 2018: 1,500,000) preference shares of ₹100 each | 1,500.00 | 1,500.00 |
| **Issued, subscribed and fully paid-up shares** | | |
| 257,358,965 (March 31, 2018: 257,229,331) equity shares of ₹1 each | 2,573.59 | 2,572.29 |
| | **2,573.59** | **2,572.29** |

**a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year.**

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| **Equity shares** | **Numbers** | **Value** | **Numbers** | **Value** |
| At the beginning of the year | 257,229,331 | 2,572.29 | 257,183,714 | 2,571.83 |
| Issued during the year under employee stock option plan | 129,634 | 1.30 | 45,617 | 0.46 |
| **Outstanding at the end of the year** | **257,358,965** | **2,573.59** | **257,229,331** | **2,572.29** |

**b. Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% equity shares in the Company**

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | **Numbers** | **% holding** | **Numbers** | **% holding** |
| Vikas Kothari (on behalf of Genus Shareholders' Trust) | 27,543,850 | 10.70% | 27,543,850 | 10.71% |
| Vivekshil Dealers Private Limited | 23,736,757 | 9.22% | 23,736,757 | 9.23% |
| Kailash Chandra Agarwal | 13,298,356 | 5.17% | 13,298,356 | 5.17% |
| Reliance Capital Trustee Co. Ltd | 13,383,826 | 5.20% | 13,046,078 | 5.07% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares except for Vikas Kothari who is holding equity shares on behalf of Genus Shareholders' Trust.

**d. For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company, refer note 35.**

| 14 Share application money pending allotment | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Share application money - ESOP | - | 6.69 |
| | **-** | **6.69** |

| 15 Other equity | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Capital reserve | 294.62 | 294.62 |
| Securities premium reserve | 8,163.42 | 8,153.70 |
| General reserve | 11,867.20 | 11,867.20 |
| Share based payment reserve | 29.08 | 9.61 |

| | | |
|---|---|---|
| **Retained earnings** | | |
| Other comprehensive income reserve | 946.98 | 873.08 |
| Surplus in the statement of profit and loss | 57,174.73 | 51,073.09 |
| | **78,476.03** | **72,271.30** |
| **The nature, purpose and movement in balance of other equity is as follows:** | | |
| **Capital reserve** | | |
| Represents capital reserve balances of acquired entities which are transferred to the Company upon mergers in the earlier years. | | |
| As per last balance sheet | 294.62 | 294.62 |
| Add: Additions during the year | - | - |
| **Closing balance** | **294.62** | **294.62** |
| **Securities premium reserve** | | |
| Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only in accordance with the provisions of the Companies Act, 2013. | | |
| As per last balance sheet | 8,153.70 | 8,150.89 |
| Add: Premium on exercise of employee stock options | 9.72 | 2.81 |
| **Closing balance** | **8,163.42** | **8,153.70** |

**General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. The Company records the amount received from Genus Shareholders' Trust in general reserve. However, the amount previously transferred to the general reserve can be utilised only in accordance with the requirements of Companies Act, 2013.

| | | |
|---|---|---|
| As per last balance sheet | 11,867.20 | 11,770.90 |
| Add: Additions during the year | - | 96.30 |
| **Closing balance** | **11,867.20** | **11,867.20** |
| **Share based payment reserve** | | |
| The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. | | |
| As per last balance sheet | 9.61 | 32.53 |
| Add: Compensation cost of options granted | 19.47 | (22.92) |
| **Closing balance** | **29.08** | **9.61** |
| **Other comprehensive income reserve** | | |
| The Company has elected to recognise changes in the fair value of certain investments in equity securities and re-measurement gains/loss on defined benefit plans in other comprehensive income. | | |
| As per last balance sheet | 873.08 | 625.38 |
| Add: Additions during the year (refer note 33) | 73.90 | 247.70 |
| **Closing balance** | **946.98** | **873.08** |
| **Surplus in the statement of profit and loss** | | |
| Surplus in the statement of profit and loss are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to share holders. | | |
| As per last balance sheet | 51,073.09 | 47,002.61 |
| Add: Profit for the year | 7,237.44 | 5,154.48 |
| Less: Appropriations | | |
| Dividend @₹ 0.41 (March 31, 2018: ₹ 0.35) | 942.14 | 900.30 |
| Tax on equity dividend | 193.66 | 183.70 |
| **Total appropriations** | **1,135.80** | **1,084.00** |
| **Net surplus in the statement of profit and loss** | **57,174.73** | **51,073.09** |
| **Total equity** | **78,476.03** | **72,271.30** |

* Pursuant to the scheme of amalgamation approved by the Hon'ble Allahabad High Court in 2013-14, the shares of the Company held by the Company and Genus Paper & Boards Limited were consequently transferred to the Genus Shareholders' Trust for the benefit of the Company and its shareholders. The Company has accounted for the proceeds received from the trust in reserves as such amounts have arisen on shares of the Company.

| 15A Distribution made and proposed | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **Cash dividends on equity shares declared and paid:** | | |
| Dividend : ₹ 0.41 per share (March 31, 2018: ₹ 0.35 per share) | 942.14 | 900.30 |
| Tax on equity dividend | 193.66 | 183.70 |
| **Proposed dividends on equity shares:** | | |
| Equity dividend : ₹ NIL per share (March 31, 2018: ₹ 0.41 per share) | - | 1,054.64 |
| Tax on proposed dividend | - | 216.78 |

| 16 Borrowings | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **A. Non current borrowings** | | |
| **From banks (secured)** | | |
| Term loans | 3,143.40 | 1,633.47 |
| **Other loans (secured)** | | |
| Vehicle Loan | 210.65 | 186.96 |
| | **3,354.05** | **1,820.43** |
| **Less: Current maturities of Non current borrowings** | | |
| **From banks (secured)** | | |
| Term loans | 750.00 | 130.00 |
| **Other loans (secured)** | | |
| Vehicle loan | 98.19 | 64.00 |
| Amount disclosed under other current liabilities (refer note 17) | **848.19** | **194.00** |
| | **2,505.86** | **1,626.43** |
| The above amount includes: | | |
| **Secured borrowings** | **3,354.05** | **1,820.43** |
| **Unsecured borrowings** | - | - |
| | | |
| **B. Current borrowings** | | |
| **Other short term borrowings** | | |
| Cash credit from banks (Secured) | 17,788.77 | 16,477.37 |
| Buyer's credit from banks (Secured) | - | 329.45 |
| Supplier's credit from banks (Secured) | 398.98 | - |
| Bills discounting (Unsecured) | 6,046.34 | 5,335.09 |
| | **24,234.09** | **22,141.91** |
| The above amount includes: | | |
| **Secured borrowings** | **18,187.75** | **16,806.82** |
| **Unsecured borrowings** | **6,046.34** | **5,335.09** |

**Notes:**

1 The term loan of ₹ 1,503.47 Lacs (sanctioned amount ₹ 1,650.00 Lacs) (March 31, 2018: ₹ 1,633.47 Lacs) from a Bank is secured by first exclusive charge on the entire property, plant and equipment of the Company's Assam unit situated at Plot no. 104, Brahmaputra Industrial Park, Amingaon, village - Silalndurighopa, District - Kamrup (R), Assam and unconditional irrevocable personal guarantees of promoters directors Mr. Ishwar Chand Agarwal, Mr. Rajendra Kumar Agarwal and Mr. Jitendra Kumar Agarwal. Interest will be charged @0.20% over MCLR+SP. The loan is repayable in 20 quarterly installment starting from April 2018.

2 The term loan of ₹ 1,639.93 Lacs (sanctioned amount ₹ 3,100.00 Lacs) (March 31, 2018: ₹ Nil) from a Bank is secured by first exclusive charge on the plant and equipment of the Project, first charge by way of equitable mortgage on Factory land and building situated at plot no. 09 & 10, situated at sector-2, IIE, SIDCUL, BHEL Haridwar (Uttarakhand), second charge on current assets of the Company (present and future) and unconditional irrevocable personal guarantees of promoters directors Mr. Ishwar Chand Agarwal, Mr. Rajendra Kumar Agarwal and Mr. Jitendra Kumar Agarwal. Interest will be charged @0.20% over MCLR+SP. The loan is repayable in 20 quarterly installment starting from June 2019.

3 Vehicle loans from banks and non-banking financial companies is secured by way of hypothecation of the vehicles financed by them under the finance scheme. The effective weighted average interest rate is 9.68% (March 31, 2018: 10.88%) p.a.

4 Cash credit, suppliers credit and buyers credit of ₹ 18,187.75 Lacs (March 31, 2018: ₹ 16,806.83 Lacs) of the Company under consortium arrangement from Bank of Baroda, State Bank of India, IDBI Bank Ltd, Axis Bank, Punjab National Bank and Export Import Bank of India, is secured by way of first paripassu charge on entire current assets of the Company both present and future and collateral security by way of 1st Pari-passu charges on the entire unencumbered fixed assets of the Company and equitable mortgage of properties on pari-passu basis situated at SPL-3A & SPL-2A, Sitapura, Jaipur (Rajasthan) and Plot No.12, Sector-4 , IIE Haridwar (Uttarakhand) and further secured by personal guarantees of Mr. Ishwar Chand Agarwal, Mr. Rajendra Kumar Agarwal and Mr. Jitendra Kumar Agarwal.

5 Bills discounting of ₹ 1,268.94 Lacs (March 31, 2018: ₹ 396.99 Lacs) of the Company are secured by inland documentary bills covering dispatches of goods under prime Bank's Letter of credit supported by related documents. The rate of interest is respective period MCLR.

6 Bills discounting of ₹ 4,777.40 Lacs (March 31, 2018: ₹ 4,938.10 Lacs) are discounted on vendors invoices and carried an interest rate calculated at MCLR+0.20% with credit period of upto 90 days. This facility is secured by personal guarantees of Mr. Ishwar Chand Agarwal, Mr. Rajendra Kumar Agarwal and Mr. Jitendra Kumar AgarwaL

| 17 | Other financial liabilities | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **A. Non current** | | |
| | Security deposit received | 3.05 | 66.15 |
| | Retention due to vendors | 905.75 | 518.70 |
| | | **908.80** | **584.85** |
| | **B. Current** | | |
| | Current maturities of long-term borrowings (refer note 16) | 848.19 | 194.00 |
| | Creditors for capital goods | 261.43 | 320.46 |
| | Unclaimed dividend (refer note 43) | 43.32 | 39.20 |
| | Interest accrued but not due on borrowings | 20.26 | 2.18 |
| | Foreign exchange forward contracts | 79.11 | - |
| | | **1,252.31** | **555.84** |

| 18 | Provisions | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **A. Non current** | | |
| | **Other provisions** | | |
| | For warranties (refer note 52) | 2,245.64 | 1,454.36 |
| | | **2,245.64** | **1,454.36** |
| | **B. Current** | | |
| | **Other provisions** | | |
| | For future foreseeable losses | 614.97 | 679.37 |
| | For warranties (refer note 52) | 561.41 | 358.09 |
| | | **1,176.38** | **1,037.46** |

| 19 | Government Grants | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **As per last balance sheet** | 237.02 | 271.71 |
| | Recognised in the statement of profit and loss | (34.69) | (34.69) |
| | **Closing Balance** | **202.33** | **237.02** |
| | **Non current** | 167.65 | 202.33 |
| | **Current** | 34.69 | 34.69 |

Government Grant has been received towards certain items of property, plant and equipment under the Modified Special Incentive Package Scheme (M-SIPS) for one of the manufacturing units of the Company towards manufacturing of the products that are approved under the scheme.

| 20 | Net employee defined benefit liabilities | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **A. Non current** | | |
| | Provision for gratuity (refer note 36(2)) | 204.52 | 100.96 |
| | | **204.52** | **100.96** |
| | **B. Current** | | |
| | Provision for compensated absences | 217.93 | 228.60 |
| | | **217.93** | **228.60** |

| 21 | Trade payables | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Trade payables (Refer note 42 for details of dues to micro and small enterprises) | | |
| | - Micro and small enterprise | 6,081.88 | 385.13 |
| | - Other than micro and small enterprise | 17,441.80 | 24,584.76 |
| | | **23,523.68** | **24,969.89** |

Trade payables are non-interest bearing.

Refer note 46 for trade payables to related parties.

For explanations on the Company's credit risk management processes, refer to Note 41.

**Breakup of financial liabilities carried at amortised cost/ fair value**

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Borrowing | 3,354.05 | 1,820.43 |
| Other liabilities | 1,312.92 | 946.69 |
| Trade payables | 23,523.68 | 24,969.89 |
| | **28,190.65** | **27,737.01** |

| 22 Current tax liabilities (net) | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Provision for income tax (net of advance tax) | - | 307.91 |
| | **-** | **307.91** |

| 23 Non-financial liabilities | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Advance from customers | 807.10 | 1,209.89 |
| Statutory liabilities | 588.61 | 525.15 |
| Contract liability - Revenue in excess of billing | 1,344.48 | 2,343.30 |
| | **2,740.19** | **4,078.34** |

| 24 Revenue from contracts with customers | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue from sale of goods | 91,547.40 | 71,761.11 |
| Revenue from rendering of services | 3,832.54 | 1,043.13 |
| Revenue from construction contracts | 9,760.03 | 10,457.57 |
| Other operating revenue | | |
| Scrap sales | 71.32 | 92.38 |
| Export and other incentives | 335.37 | 301.51 |
| | **105,546.66** | **83,655.70** |
| **Revenue by geography** | | |
| In India | 98,507.07 | 80,684.86 |
| Outside India | 7,039.59 | 2,970.84 |
| | **105,546.66** | **83,655.70** |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | 91,954.09 | 72,155.00 |
| Services transferred over a period | 3,832.54 | 1,043.13 |
| Goods and services related to construction contracts transferred over a period | 9,760.03 | 10,457.57 |
| | **105,546.66** | **83,655.70** |
| **Contract balances** | | |
| **Contract liability** | | |
| Contract liability - Revenue in excess of billing | 1,344.48 | 2,343.30 |
| | **1,344.48** | **2,343.30** |

Sale of goods includes excise duty collected from customers of ₹ Nil (March 31, 2018: ₹ 150.58 lacs). Revenue from contract with customers for previous periods up to June 30, 2017 includes excise duty. From July 01, 2017, excise duty and other major indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from contract with customers. In view of the aforesaid change in indirect taxes, Revenue from contract with customers year ended March 31, 2019 is not comparable March 31, 2018.

| 25 Other Income | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Interest income on : | | |
| Bank deposits | 212.27 | 183.83 |
| Preference shares | 299.25 | 99.64 |
| Other advances and deposits | 316.57 | 534.08 |
| Liabilities no longer required written back | 126.35 | 76.66 |
| Gain on financial instruments at fair value through profit or loss | 703.94 | 821.16 |
| Gain on foreign currency transactions (net) | - | 336.41 |
| Miscellaneous income | 133.54 | 146.94 |
| | **1,791.92** | **2,198.72** |

| 26 | Cost of raw material and components consumed | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| | **Raw material consumed (including erection expenses)** | | | |
| | Opening stock at the beginning of the year | | 12,655.71 | 6,167.85 |
| | Add: Purchases (including erection expenses) | | 72,912.53 | 65,455.68 |
| | | | **85,568.24** | **71,623.53** |
| | Less: Closing stock at the end of the year | | 11,896.61 | 12,655.71 |
| | | | **73,671.63** | **58,967.82** |

| 27 | Change in inventories of finished goods and work-in-progress | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| | **Inventories at the end of the year** | | | |
| | Finished goods | | 6,293.15 | 4,566.33 |
| | Work-in-progress | | 2,484.42 | 2,341.92 |
| | | (A) | **8,777.57** | **6,908.25** |
| | **Inventories at the beginning of the year** | | | |
| | Finished goods | | 4,566.33 | 3,438.74 |
| | Work-in-progress | | 2,341.92 | 1,997.80 |
| | | (B) | **6,908.25** | **5,436.54** |
| | | (B)-(A) | **(1,869.32)** | **(1,471.71)** |

| 28 | Employee benefit expenses | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Salaries, wages and bonus | 9,017.30 | 7,946.52 |
| | Contribution to provident and other funds (refer note 36(1)) | 339.85 | 308.33 |
| | Share based payment expense (refer note 35) | 19.47 | (22.92) |
| | Gratuity expense (refer note 36(2)) | 88.19 | 83.02 |
| | Staff welfare expenses | 350.51 | 261.63 |
| | | **9,815.32** | **8,576.58** |

| 29 | Other expenses | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Sampling and testing expenses | 307.48 | 275.12 |
| | Power and fuel | 525.29 | 480.15 |
| | Decrease of excise duty on inventory | - | (58.79) |
| | Repairs and maintenance | | |
| | Plant and machinery | 534.21 | 496.33 |
| | Buildings | 16.42 | 26.33 |
| | Others | 113.14 | 83.78 |
| | Rent (refer note 47) | 199.67 | 172.77 |
| | Rates and taxes | 501.85 | 371.72 |
| | Printing, postage, telegram and telephones | 101.30 | 112.53 |
| | Insurance | 164.39 | 133.58 |
| | Legal and professional charges | 527.59 | 473.45 |
| | Payment to statutory auditors (refer note 37) | 52.80 | 53.01 |
| | Advertisement and sales commission expenses | 372.56 | 491.71 |
| | Freight and forwarding expenses | 826.84 | 702.45 |
| | Travelling and conveyance | 1,025.80 | 918.18 |
| | Warranty expenses | 1,655.01 | 1,473.77 |
| | Donations | 5.45 | 0.46 |
| | Donations to political party | 940.00 | - |
| | CSR expenditure (refer note 53) | 142.99 | 93.34 |
| | Liquidated damages and bad debts written off (net of recovery) | 2,424.09 | 1,340.56 |
| | Loss on sale of property, plant and equipment (net) | 57.89 | 124.26 |
| | Loss on foreign currency transactions (net) | 220.33 | - |
| | Miscellaneous expenses | 420.84 | 366.40 |
| | | **11,135.94** | **8,131.11** |

| 30 | Depreciation and amortisation expenses | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Depreciation on tangible assets | 1,880.65 | 1,650.38 |
| | Amortisation on intangible assets | 59.21 | 63.76 |
| | | **1,939.86** | **1,714.14** |

| | | | |
|---|---|---|---|
| **31** | **Finance costs** | **March 31, 2019** | **March 31, 2018** |
| | Interest on loans from banks | 2,297.14 | 1,584.56 |
| | Interest on others | 214.02 | 84.86 |
| | Bank charges | 880.13 | 607.18 |
| | | **3,391.29** | **2,276.60** |
| **32** | **Tax expenses** | **March 31, 2019** | **March 31, 2018** |
| | **Income tax expenses** | | |
| | The major component of income tax expenses are as follows: | | |
| | **Current Income tax:** | | |
| | Current income tax charges | 1,974.03 | 1,630.77 |
| | **Deferred tax:** | | |
| | Relating to origination and reversal of temporary differences | (167.12) | 689.87 |
| | | **1,806.91** | **2,320.64** |
| | Adjustment in respect of current income tax of previous years | 209.51 | 34.18 |
| | **Income tax expenses reported in the statement of profit or loss** | **2,016.42** | **2,354.82** |
| | | | |
| | **Reconciliation of effective tax rate:** | | |
| | | **March 31, 2019** | **March 31, 2018** |
| | Profit before tax (A) | 9,253.86 | 7,509.30 |
| | Enacted tax rate in India (B) | 34.944% | 34.608% |
| | Expected tax expenses (C= A*B) | 3,233.67 | 2,598.82 |
| | Actual tax expense (net of tax for earlier years) | 1,806.91 | 2,320.64 |
| | **Difference (Note A)** | **1,426.76** | **278.18** |
| | | | |
| | **Note A: Reconciliation of difference for effective tax** | | |
| | **Other than temporary difference** | | |
| | Expenses disallowed under Income Tax Act, 1961 (net) | (72.69) | (161.60) |
| | Tax holiday and other benefits allowed under various provisions of Income Tax Act, 1961 | 1,028.59 | 979.75 |
| | On account of MAT credit entitlement accounted for earlier years | 427.75 | - |
| | Others | 43.11 | (539.97) |
| | | **1,426.76** | **278.18** |
| **33** | **Components of Other Comprehensive Income (OCI)** | **March 31, 2019** | **March 31, 2018** |
| | The disaggregation of changes to OCI by each type of reserve in equity is shown as below: | | |
| | **Items that will be reclassified to profit or loss** | | |
| | Net movement on cash flow hedges | - | 70.62 |
| | Income tax effect | - | (24.35) |
| | **Items that will not be reclassified to profit or loss** | | |
| | Re-measurement gains / (loss) on defined benefit plans | (16.34) | 29.36 |
| | Net gain/ (loss) on FVTOCI on equity securities | 128.54 | 274.02 |
| | Income tax effect | (38.30) | (101.95) |
| | | **73.90** | **247.70** |

| 34 Commitments and Contingencies | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| **(A) Commitments** | | | |
| **Particulars** | | | |
| | Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for in books | 357.33 | 1,310.66 |
| **(B) Contingent liabilities** | | | |
| **Particulars** | | | |
| a. | Bank guarantee issued by banks and against which margin money of ₹ 373.33 Lacs (March 31, 2018: ₹ 613.67 Lacs) was provided in the form of fixed deposits. | 7,466.61 | 12,136.90 |
| b. | Corporate guarantee to banks utilised to secure the credit facilities of others (The Company have given guarantee to secure the credit facilities up to ₹ 23,000 Lacs (March 31, 2018 : ₹ 23,000 Lacs) | 6,855.00 | 7,868.00 |
| c. | Claims arising from disputes not acknowledged as debts - indirect taxes | 2,768.33 | 2,778.72 |
| d. | Claims arising from disputes not acknowledged as debts - direct taxes | 234.26 | 230.12 |
| e. | Claims against the Company not acknowledged as debts | 218.43 | 157.73 |
| f. | There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order (if any). The Company will update its provision, on receiving further clarity on the subject. | | |

**35 Share based payments**

**Employee Stock Option Scheme "ESOS 2012"**

The Company instituted an Employee Stock Option Plan "ESOS 2012" as per the special resolution passed in a General Meeting held on December 29, 2012. This scheme has been formulated in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and is in compliance with Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Company has reserved issuance of 7,945,000 (March 31, 2018: 7,945,000) equity shares of face value of ₹ 1 each for offering to eligible employees of the Company under Employees Stock Option Scheme-2012 (ESOS 2012). In the earlier years, the Company has granted 2,840,300 options which includes 1,815,600 options at a price of ₹ 7 per option (adjusted for shares issued pursuant to scheme of arrangement), 582,000 options at a price of ₹ 6 per option (adjusted for shares issued pursuant to scheme of arrangement) and 442,700 options at a price of ₹ 27.10 per option. During the year, the Company has granted 2,416,065 options at a price of ₹ 30.30 per option. The options would vest over a maximum period of 6 years or such other period as may be decided by the Nomination and Remuneration Committee from the date of grant based on specified criteria.

**The details of option outstanding of ESOS 2012 are as below:**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Options outstanding at the beginning of the year | 320,844 | 1,044,727 |
| Granted during the year | 2,416,065 | - |
| Vested / exercisable during the year | 171,033 | 117,542 |
| Exercised during the year | 129,634 | 45,617 |
| Forfeited during the year subject to reissue | 36,056 | 678,266 |
| Options outstanding at end of the year | 2,571,219 | 320,844 |
| Weighted average exercise price (₹) | 30.08 | 19.37 |
| Weighted average fair value of options at the date of grant (₹) | 15.48 | 12.74 |

| Particulars | Range of exercise prices | Number of options outstanding | Weighted average remaining contractual life of options (in years) |
|---|---|---|---|
| As at March 31, 2019 | ₹ 6.00 to ₹ 30.30 | 2,571,219 | 8.56 |
| As at March 31, 2018 | ₹ 6.00 to ₹ 27.10 | 320,844 | 4.96 |

The Black Scholes valuation model has been used for computing the weighted average fair value of the options. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| | Grant IV | Grant III | Grant II | Grant I |
|---|---|---|---|---|
| Dividend yield | 1.35% | 0.37% | 0.85% | 0.75% |
| Expected volatility | 53.61% | 57.76% | 62.26% | 62.42% |
| Risk-free interest rate | 7.37% | 8.32% | 7.82% | 7.88% |
| Weighted average price (in ₹) | 30.30 | 15.91 | 6.90 | 7.85 |
| Exercise price (in ₹) | 30.30 | 27.10 | 6.00 | 7.00 |
| Expected life of options granted (in years) | 5.50 | 5.50 | 5.50 | 5.50 |

**36 Gratuity and other post-employment benefit plans**

**(1) Disclosures related to defined contribution plan**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Provident fund contribution recognised as expense in the statement of profit and loss | 293.14 | 260.94 |

**(2) Disclosures related to defined benefit plan**

The Company has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. The Employees' Gratuity Fund Scheme managed by a trust is a defined benefit gratuity plan which is administered through Group Gratuity Scheme with Life Insurance Corporation of India. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

**Statement of profit and loss**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **A) Net employee benefit expense (recognised in Employee benefits expenses)** | | |
| Current service cost | 83.98 | 79.74 |
| Interest cost on benefit obligation | 52.71 | 45.94 |
| Interest on plan asset | (44.24) | (42.66) |
| Net actuarial (gain) / loss recognized in the year | 12.08 | (29.36) |
| **Net employee benefit expenses** | **104.53** | **53.66** |
| Amount recognised in the statement of profit and loss | 88.19 | 83.02 |
| Amount recognised in other comprehensive income | 16.34 | (29.36) |

**B) Amount recognised in the Balance Sheet**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **Details of provision for gratuity** | | |
| Defined benefit obligation (DBO) | 785.26 | 683.68 |
| Fair value of plan assets (FVPA) | (580.74) | (582.72) |
| **Net plan liability** | **204.52** | **100.96** |

**C) Changes in the present value of the defined benefit obligation for gratuity are as follows :**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Opening defined benefit obligation | 683.68 | 609.34 |
| Current service cost | 83.98 | 79.74 |
| Interest cost | 52.71 | 45.94 |
| Past Service Cost | - | 10.61 |
| Benefits paid | (47.19) | (32.59) |
| Actuarial (gains) / losses on obligation for the year | 12.08 | (29.36) |
| **Closing defined benefit obligation** | **785.26** | **683.68** |

**D) Changes in fair value of plan assets**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **Opening fair value of plan assets** | **582.72** | **513.52** |
| Interest on plan asset | 44.24 | 42.66 |
| Contributions by employer | 4.53 | 62.09 |
| Benefits paid | (47.19) | (32.59) |
| Fund management charges | (3.56) | (2.96) |
| **Closing fair value of plan assets** | **580.74** | **582.72** |

**E) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Discount rate (p.a.) | 7.65% | 7.71% |
| Expected return on assets (p.a.) | 7.80% | 8.35% |
| Increment rate (p.a.) | 7.00% | 7.00% |

**F) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flow**

Expected benefit payments for the year ending:

| Year | March 31, 2019 | March 31, 2018 |
|---|---|---|
| 2018 - 2019 | | 46.25 |
| 2019 - 2020 | 49.17 | 11.29 |
| 2020 - 2021 | 12.79 | 12.09 |
| 2021 - 2022 | 12.62 | 14.43 |
| 2022 - 2023 | 17.03 | 21.33 |
| 2023 - 2024 | 30.48 | |

**G) Sensitivity Analysis**

**A quantitative sensitivity analysis for the significant assumption is as shown below:**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| (a) Effect of 0.5% change in assumed discount rate | | |
| - 0.5% increase | (41.85) | (37.72) |
| - 0.5% decrease | 45.42 | 41.05 |
| (b) Effect of 0.5% change in assumed salary escalation rate | | |
| - 0.5% increase | 41.66 | 38.14 |
| - 0.5% decrease | (39.10) | (35.64) |

**(3) Notes:**

1 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

2 Percentage of plan assets as investments with insurer is 100%.

3 The expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**37 Remuneration to statutory auditors (excluding applicable taxes)**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **As Auditors:** | | |
| Statutory audit (including limited review) | 46.50 | 46.50 |
| Tax audit | 1.25 | 1.25 |
| **In other capacity:** | | |
| Certification | 2.16 | 1.45 |
| Reimbursement of expenses | 2.89 | 3.81 |
| **Total** | **52.80** | **53.01** |

**38 Hedging Activities and Derivatives**

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one week to twelve months.

Particulars of unhedged foreign currency exposure are detailed below at the exchange rate prevailing as at the reporting date :

**(Equivalent amount in Indian Rupees)**

| Particulars | Currency | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Short term borrowings | USD | 99.21 | 172.34 |
| Trade receivables | USD | 1,757.38 | 864.14 |
| | EUR | 32.60 | 0.39 |
| Trade payables including interest accrued but not due on | USD | 9,542.92 | 11,359.76 |
| borrowings and creditors for capital goods | JPY | 6.23 | 0.39 |
| | EUR | 61.67 | 3.16 |
| Advances recoverable in cash or kind | USD | - | 24.16 |
| Capital advances | USD | - | 102.24 |
| Bank balances | USD | 2.16 | 7.21 |
| | SGD | 162.27 | 76.56 |

Details of foreign currency exposure that has been hedged by forward contract are as follows:

| Particulars | Currency | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Trade payable and short term borrowings | USD | 1,343.49 | 799.32 |

**39 Fair values**

The fair value of the financial assets and liabilities approximates their carrying amounts as at the balance sheet date.

**40 Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy of assets as at March 31, 2019**

| | Valuation technique | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Assets measured at fair value | | | |
| Investment in equity shares (Quoted) | Level 1 | 37.00 | 60.75 |
| Investment in mutual funds (Quoted) | Level 1 | 12,405.12 | 12,465.79 |
| Investment in equity shares (Unquoted) | Level 3 | 2,878.55 | 2,291.26 |

**Measurement of fair value - valuation techniques**

The following table shows the valuation techniques used in measuring Level 3 fair values for assets and liabilities carried at fair value

| Type | Valuation Technique |
|---|---|
| Investment in equity shares (Unquoted) | The fair value is determined using discounted cash flow of future projections of cash flow to be generated by the Company. |

**Description of significant unobservable inputs to valuation**

| Significant unobservable inputs | Sensitivity of the input to fair value | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Weighted average cost of capital | Decrease in discount rate by 1% would increase the valuation by | 260.37 | 162.40 |
| | increase in discount rate by 1% would decrease the valuation by | (227.91) | (146.56) |

**41 Financial risk management objectives and policies**

**Financial Risk Management Framework**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalent and other bank balances.

The Company is exposed to credit risk, market risk and liquidity risk. The Company has a risk management policy and its management is supported by a risk management committee that advices on risk and appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's management that the risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The audit committee and the Board of Directors reviews and agrees policies for managing each of these risks.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and loans to companies).

**Exposure to credit risk:**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 60,899.89 Lacs (March 31, 2018: ₹ 56,355.85 lacs), being the total of the carrying amount of balances with trade receivables (including retention money) and loans to companies.

**Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based in contractual undiscounted payments:

| | Upto 1 year | 1 to 5 years | >5 years | Total |
|---|---|---|---|---|
| **March 31, 2019** | | | | |
| Borrowings | 25,082.28 | 3,354.05 | - | 28,436.33 |
| Trade payables | 23,523.68 | - | - | 23,523.68 |
| Other payables | 404.12 | 908.80 | - | 1,312.92 |
| | **49,010.08** | **4,262.85** | **-** | **53,272.93** |
| **March 31, 2018** | | | | |
| Borrowings | 22,335.91 | 1,626.43 | - | 23,962.34 |
| Trade payables | 24,969.89 | - | - | 24,969.89 |
| Other payables | 361.84 | 584.85 | - | 946.69 |
| | **47,667.64** | **2,211.28** | **-** | **49,878.92** |

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. As the Company has debt obligation with floating interest rates, the company is exposed to the risk of changes in market interest rates. As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

**Foreign Currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The risks primarily relate to fluctuations in US Dollar, Japanese Yen , SGD and Euro against the functional currency of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign currency payable. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is disclosed in note no. 38.

**42 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| The principal amount remaining unpaid as at the end of the year. | 6,081.88 | 385.13 |
| The amount of interest accrued and remaining unpaid at the end of the year. | 34.58 | - |
| Amount of interest paid by the Company in terms of section 16 of Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payments made beyond the appointed date during the year. | - | - |
| Amount of interest due and payable for the period of delay in making payment without the interest specified under the Micro Small and Medium Enterprise Development Act, 2006. | 34.58 | - |
| The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | 18.89 | - |

**43** In respect of the amounts mentioned under section 125 of the Companies Act, 2013 there are no dues that are to be credited to the Investor Education and Protection Fund as at March 31, 2019 and March 31, 2018. During the year, the Company has transferred ₹ 2.41 lacs (March 31, 2018: ₹ 2.12 lacs) to Investor Education and Protection Fund.

**44 Research and development expenses**

**a. Details of research and development expenses incurred during the year, debited under various heads of statement of profit and loss is given below:**

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Cost of material consumed | 138.35 | 118.96 |
| Employee benefit expenses | 1,020.13 | 981.34 |
| Legal and professional charges | 12.93 | 47.97 |
| Travelling and conveyance | 100.87 | 88.36 |

| | | | |
|---|---|---|---|
| Sampling and testing expenses | | 37.14 | 31.43 |
| Others | | 117.43 | 123.38 |
| **Total** | | **1,426.85** | **1,391.44** |

**b. Details of capital expenditure incurred for research and development are given below:**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Plant and equipments | 39.75 | 23.99 |
| Computers | 27.93 | 53.42 |
| Office equipment | 4.33 | 1.59 |
| Furniture and fixtures | 2.54 | 2.09 |
| **Total** | **74.55** | **81.09** |

**45 Earning per share (EPS)**

| Particulars | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Profit available for equity shareholders (profit after tax) | | 7,237.44 | 5,154.48 |
| Weighted average number of equity shares in computing basic EPS | (a) | 257,358,965 | 257,212,834 |
| Effect of dilution on account of Employee stock options granted | (b) | 127,786 | 226,845 |
| **Weighted average number of equity shares considered for calculation of diluted EPS** | **(a)+(b)** | **257,486,751** | **257,439,679** |

**46 Related party disclosures**

**Names of related parties and description of relationship**

| Relationship | Name of the Party | |
|---|---|---|
| Associates | M.K.J. Manufacturing Private Limited | |
| | Greentech Mega Food Park Limited (formerly known as Greentech Mega Food Park Private Limited) | |
| Key managerial personnel (KMP) | Mr. Ishwar Chand Agarwal | Executive Chairman |
| | Mr. Rajendra Kumar Agarwal | Managing Director & CEO |
| | Mr. Jitendra Kumar Agarwal | Joint Managing Director |
| | Mr. Rakesh Kumar Agarwal* | Chief Financial Officer |
| | Mr. Nathu Lal Nama** | Chief Financial Officer |
| | Mr. Ankit Jhanjhari | Company Secretary |
| Relatives to key managerial personnel | Amit Agarwal (HUF) | |
| | Rajendra Kumar Agarwal (HUF) | |
| | Mrs. Monisha Agarwal | |
| | Mrs. Anju Agarwal | |
| | Mrs. Shanti Devi Agarwal | |
| Enterprises in which the KMP have control or have significant influence | Yajur Commodities Limited | |
| | J. C. Textiles Private Limited | |
| | Hi-Print Electromack Private Limited | |
| | Genus Paper & Boards Limited | |
| | Genus Consortium | |
| | Genus Innovation Limited | |
| | Genus Electrotech Limited | |
| Independent and Non Executive Directors | Mr. Dharam Chand Agarwal | |
| | Mr. Rameshwar Pareek | |
| | Mr. Bhairon Singh Solanki*** | |
| | Mr. Indraj Mal Bhutoria*** | |
| | Mr. Udit Agarwal | |
| | Mrs. Mansi Kothari**** | |
| Non Independent and Non Executive Directors | Mrs. Sharmila Agarwal***** | |
| | Mr. Kailash Chandra Agarwal | |

* Resigned with effect from February 05, 2018

** Appointed with effect from May 11, 2018

*** Resigned with effect from April 01, 2019

**** Appointed with effect from May 11, 2019

***** Resigned with effect from May 13, 2019

**Transactions with related parties**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **Associates** | | |
| **M.K.J. Manufacturing Private Limited** | | |
| Loans given | - | 89.00 |
| Loans repaid | 37.11 | - |
| Balance receivable | 96.52 | 133.63 |
| | | |
| **Greentech Mega Food Park Limited** | | |
| **(formally known as Greentech Mega Food Park Private Limited)** | | |
| Investment made – equity shares | 174.00 | 304.02 |
| Closing Investment Balance | 990.00 | 816.00 |
| | | |
| **Enterprises in which the KMP have control or have significant influence** | | |
| **Yajur Commodities Limited** | | |
| Interest income | 90.66 | 292.33 |
| Loans repaid | 2,843.81 | - |
| Investment made – preference shares | 2,300.00 | - |
| Investment made – equity shares | 435.00 | - |
| Guarantee commission | 46.00 | 26.00 |
| Corporate guarantee utilised | 6,855.00 | 7,868.00 |
| Balance receivable | - | 2,753.15 |
| | | |
| **J. C. Textiles Private Limited** | | |
| Rent paid | 28.32 | 27.24 |
| Balance payable | - | 2.16 |
| | | |
| **Hi-Print Electromack Private Limited** | | |
| Rent paid | - | 7.20 |
| Rent deposit received | 35.00 | - |
| Rent deposit receivable | - | 35.00 |
| | | |
| **Genus Paper & Boards Limited** | | |
| Sale of goods and services | 0.19 | 0.28 |
| | | |
| **Genus Consortium** | | |
| Advance given | 3.40 | 1.70 |
| Balance receivable | 960.93 | 957.53 |
| | | |
| **Genus Innovation Limited** | | |
| Sale of goods and services | 3,754.67 | 6,641.29 |
| Purchase of goods and services | 499.76 | 485.98 |
| Purchase of fixed assets | 98.79 | 30.31 |
| Sale of fixed assets | 0.25 | 2.93 |
| Balance receivable | 3,591.97 | 3,302.74 |
| | | |
| **Genus Electrotech Limited** | | |
| Sale of goods and services | 3.47 | 69.15 |
| Purchase of goods and services | 1,969.76 | 2,188.71 |
| Purchase of fixed assets | 0.42 | 0.82 |
| Sale of fixed assets | - | 0.31 |
| Interest income | 0.20 | 7.49 |
| Discounts | - | 2.28 |
| Sale of trademark usage rights | 10.00 | - |
| Balance payable | 191.58 | 114.24 |
| | | |
| **Key managerial personnel** | | |
| **Mr. Ishwar Chand Agarwal** | | |
| Remuneration* | 300.00 | 300.00 |

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **Mr. Rajendra Kumar Agarwal** | | |
| Rental charges | 4.28 | 2.61 |
| Remuneration* | 240.00 | 240.00 |
| Commission | 35.00 | - |
| **Mr. Jitendra Kumar Agarwal** | | |
| Rental charges | 2.40 | 0.90 |
| Remuneration* | 240.00 | 240.00 |
| Commission | 35.00 | - |
| **Mr. Rakesh Kumar Agarwal** | | |
| Salary paid | - | 28.05 |
| **Mr. Nathu Lal Nama** | | |
| Salary paid | 33.82 | 28.35 |
| Employee stock options | 1.02 | - |
| **Mr. Ankit Jhanjhari** | | |
| Salary paid | 13.34 | 13.34 |
| Employee stock options | 0.30 | - |
| **Relatives to key managerial personnel** | | |
| **Amit Agarwal (HUF)** | | |
| Rental charges | 8.50 | 8.17 |
| Balance payable | - | 0.65 |
| **Rajendra Kumar Agarwal (HUF)** | | |
| Rental charges | 7.20 | 7.20 |
| **Mrs. Anju Agarwal** | | |
| Rental charges | 3.00 | 3.00 |
| **Mrs. Monisha Agarwal** | | |
| Rental charges | 3.00 | 3.00 |
| **Mrs. Shanti Devi Agarwal** | | |
| Rental charges | 0.60 | - |
| **Independent and Non Executive Directors** | | |
| **Mr. Dharam Chand Agarwal** | | |
| Sitting fees | 0.94 | 0.68 |
| **Mr. Rameshwar Pareek** | | |
| Sitting fees | 0.75 | 0.55 |
| **Mr. Bhairon Singh Solanki*** ** | | |
| Sitting fees | 0.88 | 0.64 |
| **Mr. Indraj Mal Bhutoria*** ** | | |
| Sitting fees | 0.45 | 0.20 |
| **Mr. Udit Agarwal** | | |
| Sitting fees | 0.45 | 0.30 |

* Does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

**47 Leases - operating leases**

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/ cancellable at the option of either of the parties. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease expenses recognised in the statement of profit and loss is ₹ 199.67 Lacs (March 31, 2018: ₹ 172.77 Lacs).

**48 Disclosure required under section 186 (4) of the Companies Act, 2013**

Included in loans and advance and interest receivable are certain inter-corporate deposits the particulars of which are disclosed below as required by section 186 (4) of Companies Act, 2013:

| Particulars | Rate of Interest | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Yajur Commodities Limited | 10% | - | 2,753.15 |
| M.K.J. Manufacturing Private Limited | 12% | 96.52 | 133.63 |
| Orchid Infrastructure Developers Private Limited | 10% | 1,905.21 | 2,169.77 |
| **Total** | | **2,001.73** | **5,056.55** |

The above loans are unsecured and are repayable on demand. The loans and guarantees given during the year were proposed to be utilised for business purposes by the recipient of loans or guarantees.

**49 Loans and advances given to Associates and Companies in which director are interested**

| Name of the Company | Closing Balance | | Max. amount outstanding | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Yajur Commodities Limited | - | 2,753.15 | 2,753.15 | 3,590.05 |
| M.K.J. Manufacturing Private Limited | 96.52 | 133.63 | 133.63 | 133.63 |

**50 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. There are no significant areas involving a high degree of judgement or complexity.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation. Further details about gratuity obligations are given in Note 36(2)."

**Useful life of property, plant and equipment and useful life**

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

**Claims, Provisions and Contingent Liabilities**

he Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements."

**51 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and keep the debt equity ratio within acceptable range. The

Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders and issue new shares.

**52 Warranty expenses**

The Company provides warranties for its products, undertaking to repair and replace the item that fails to perform satisfactorily during the warranty period. A provision is recognized for expected warranty claims on products sold based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provisions.

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| At the beginning of the year | 1,812.45 | 1,562.33 |
| Additions during the year | 1,655.01 | 1,473.77 |
| Utilized during the year | 660.41 | 1,223.65 |
| **At the end of the year** | **2,807.05** | **1,812.45** |

**53** The Company has spent ₹ 142.99 lacs (March 31, 2018 : ₹ 93.34 lacs) as against total requirement of ₹ 152.84 Lacs (March 31, 2018 : ₹ 156.90 Lacs) as per section 135 of the Companies Act, 2013. The amount contributed towards CSR activities are for various items mentioned in schedule VII of the Companies Act, 2013 and is approved by the CSR Committee is as below:

| | In cash | Yet to be paid in cash | Total |
|---|---|---|---|
| **March 31, 2019** | | | |
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 142.99 | - | 142.99 |
| | **142.99** | **-** | **142.99** |
| **March 31, 2018** | | | |
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 93.34 | - | 93.34 |
| | **93.34** | **-** | **93.34** |

**54 Standards issued but not yet effective**

**Ind AS 116 Leases**

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The Company intends to adopt these standards from April 01, 2019. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the evaluation has been completed.

As per our report of even date
**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

As per our report of even date
**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

**For and on behalf of the Board of Directors of**
**Genus Power Infrastructures Limited**

**Ishwar Chand Agarwal** Chairman
DIN: 00011152

**Rajendra Kumar Agarwal** Managing Director & CEO
DIN: 00011127

**Nathu Lal Nama** Chief Financial Officer
**Ankit Jhanjhari** Company Secretary
Place: Jaipur
Date: May 11, 2019

# INDEPENDENT AUDITOR'S REPORT

To the Members of Genus Power Infrastructures Limited

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Genus Power Infrastructures Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and its associates (the Holding Company, its subsidiaries and associates together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of one of the joint auditor on separate financial statements and financial information of the subsidiaries and reports of other auditors on separate financial statements and other financial information of the associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Revenue from contracts with customers and related trade receivables | |
| Due to the nature of the contracts, significant portion of revenue recognition as disclosed in note 24 to the consolidated financial statements involves judgements in identification of performance obligations and assessing whether control of goods/services is transferred over the time or at a point in time for each of the Holding Company's performance obligations.<br><br>The usage of percentage of completion method on certain performance obligations within certain contracts, is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments (including estimate of future costs), the Holding | Our audit procedures included the following<br>• Assessing the Holding Company's revenue recognition accounting policies.<br>• We performed test of controls over revenue recognition with specific focus on identification of performance obligations, assessing recognition of revenue over the time or at a point in time, determination of progress of completion with respect to costs incurred and estimation of costs to complete the remaining contract obligations through inspection of evidence of performance of these controls.<br>• We performed test of details, on a sample basis and evaluated |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts / onerous obligations.<br><br>Further, the collection of amounts due from customers are dependent on the achievement of key milestones defined in the long-term contracts.<br><br>Considering the aforesaid judgements and estimates involved in recognition of revenues and the significance of achievement of key milestones for collection of outstanding receivables, the same has been considered as key audit matter. | management estimates by comparing estimated cost with actual costs and discussion on the project specific considerations with the relevant project managers to projects selected on sample basis.<br><br>• We examined contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates, probable penalties due to delay in contract execution and tested the adjustments made on consideration of such items.<br><br>• We tested the ageing of receivables as at year end and compared the age of items of receivables with the relevant milestones for collections as specified in the contract.<br><br>• In respect of material balances which are past due, additional procedures were performed i.e. testing of customer acceptances, review of historical payment records, correspondence with customers, etc.<br><br>• We evaluated the adequacy of the allowance for impairment made by management. |
| **Utilisation of Minimum Alternate Tax ('MAT') Credit included under deferred tax assets (net) [as described in note 12 of the consolidated financial statements]** | |
| The Holding Company has deferred tax assets arising primarily on account of MAT Credit entitlement. The Holding Company avails tax holiday benefits for certain plants which resulted in such MAT credit entitlements. The utilization of MAT credit depends on the ability of the Holding Company to earn adequate taxable income to utilize the MAT Credit.<br><br>In order to assess the utilization of MAT credit, the Holding Company has prepared forecast of future taxable income based on revenue and profit projections which involves judgements and estimations including the estimates of profits relating to taxable and non-taxable units.<br><br>We have identified this as a key audit matter, due to the judgement and estimation involved in the preparation of the forecasted future taxable income for the utilization of MAT credit. | Our procedures included, but were not limited to:<br><br>• Assessing the eligibility of MAT credit recognized and the judgements and estimated applied to determination of forecasted future taxable income to support the recognition of MAT credit entitlement;<br><br>• Assessing the historical accuracy of management's estimation of forecast taxable income;<br><br>• Testing the inputs and assumptions used in the preparation of forecasted taxable income against historical levels of taxable profits<br><br>• Evaluating the basis used in determining the forecasted income of taxable and non-taxable units including allocations of costs;<br><br>• Reviewing correspondences/returns submitted to the relevant tax authorities and compared these with the basis for accounting entries;<br><br>• Assessing the related disclosures in Note 12 to the Consolidated Financial Statements. |

We have determined that there are no other key audit matters to communicate in our report.

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report and chairman's statement, but does not include the consolidated financial statements and our auditor's report thereon. The management report and chairman's statement is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concem and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

(a) D. Khanna & Associates, in their individual capacity, have audited a subsidiary whose financial statements reflect total assets of ₹ 11,451.28 lacs and net assets of ₹ 5,456.21 lacs as at March 31, 2019, and total revenues and net cash flows of ₹ Nil and ₹ Nil respectively for the year ended on that date. Further, the consolidated financial statements also include the Group's share of net loss of ₹ 4.08 lacs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of an associate, whose financial statements and other financial information have also been audited by D. Khanna & Associates, in their individual capacity. Our opinion, in so far as it related to the affairs of such subsidiary and associate is based solely on the reports issued by D. Khanna & Associates in their individual capacity.

(b) The consolidated financial statements also include the Group's share of net loss of ₹ 176.30 lacs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion, in so far as it relates to the affairs of associate, is based solely on the report of other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies and associate companies incorporated in India, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Group to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 34 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 to the consolidated financial statements in respect of such items as it relates to the Group; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates incorporated in India during the year ended March 31, 2019.

**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

# Annexure – 1 to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of Genus Power Infrastructures Limited

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Genus Power Infrastructures Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Genus Power Infrastructures Limited (hereinafter referred to as the "Holding Company") and its associate companies which is incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, and its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its associate companies which is incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to two associate companies which is incorporated in India, is based on the corresponding reports of the auditors of such associate companies.

**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

## Genus Power Infrastructures Limited

CIN : L51909UP1992PLC051997

### Consolidated Balance sheet as at March 31, 2019

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

| | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non current assets** | | | |
| Property, plant and equipment | 3 | 17,689.53 | 16,546.11 |
| Capital work-in-progress | 3 | 160.63 | 189.48 |
| Intangible assets | 3 | 111.40 | 122.87 |
| Investment in associates | 4 | 1,430.06 | 1,436.43 |
| Financial assets | | | |
| Investments | 5A | 6,842.45 | 3,679.65 |
| Loans | 6 | 3,028.32 | 5,393.78 |
| Other financial assets | 7 | 1,842.75 | 1,278.88 |
| Non-financial assets | 8 | 1,339.84 | 1,772.52 |
| Deferred tax assets (net) | 12 | 3,724.97 | 3,671.95 |
| | | **36,169.95** | **34,091.67** |
| **Current assets** | | | |
| Inventories | 9 | 20,674.18 | 19,563.96 |
| Financial assets | | | |
| Investments | 5B | 15,923.36 | 18,242.52 |
| Loans | 6 | 424.54 | 601.41 |
| Trade receivables | 10 | 57,307.56 | 50,834.69 |
| Cash and cash equivalents | 11 | 1,483.96 | 2,178.73 |
| Other bank balances | 11 | 2,422.92 | 1,590.38 |
| Other financial assets | 7 | 331.73 | 1,019.15 |
| Non-financial assets | 8 | 2,886.79 | 3,853.83 |
| | | **101,455.04** | **97,884.67** |
| **TOTAL ASSETS** | | **137,624.99** | **131,976.34** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 13 | 2,298.15 | 2,296.85 |
| Share application money pending allotment | 14 | - | 6.69 |
| Other equity | 15 | 76,114.97 | 72,349.08 |
| **Total equity** | | **78,413.12** | **74,652.62** |
| **Liabilities** | | | |
| **Non current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 16A | 2,505.86 | 1,626.43 |
| Other financial liabilities | 17 | 908.80 | 584.85 |
| Provisions | 18 | 2,245.64 | 1,454.36 |
| Government grants | 19 | 167.65 | 202.33 |
| Net employee defined benefit liabilities | 20 | 204.52 | 100.96 |
| | | **6,032.47** | **3,968.93** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 16B | 24,234.09 | 22,141.91 |
| Trade payables | 21 | | |

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

| | | | |
|---|---|---|---|
| - Micro and small enterprise | | 6,081.88 | 385.13 |
| - Other than Micro and small enterprise | | 17,441.93 | 24,584.91 |
| Other financial liabilities | 17 | 1,252.31 | 555.84 |
| Government grants | 19 | 34.69 | 34.69 |
| Net employee defined benefit liabilities | 20 | 217.93 | 228.60 |
| Current tax liabilities (net) | 22 | - | 307.91 |
| Provisions | 18 | 1,176.38 | 1,037.46 |
| Non-financial liabilities | 23 | 2,740.19 | 4,078.34 |
| | | **53,179.40** | **53,354.79** |
| **TOTAL EQUITY AND LIABILITIES** | | **137,624.99** | **131,976.34** |
| Summary of significant accounting policies | 2.1 | | |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

As per our report of even date
**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

**For and on behalf of the Board of Directors of**
**Genus Power Infrastructures Limited**

**Ishwar Chand Agarwal** Chairman
DIN: 00011152

**Rajendra Kumar Agarwal** Managing Director & CEO
DIN: 00011127

**Nathu Lal Nama** Chief Financial Officer
**Ankit Jhanjhari** Company Secretary
Place: Jaipur
Date: May 11, 2019

## Genus Power Infrastructures Limited

CIN : L51909UP1992PLC051997

### Consolidated Statement of profit and loss for the year ended March 31, 2019

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

| | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **Income** | | | |
| Revenue from contracts with customers | 24 | 105,546.66 | 83,655.70 |
| Other income | 25 | 1,087.98 | 5,503.02 |
| **Total income** | | **106,634.64** | **89,158.72** |
| **Expenses** | | | |
| Cost of raw material and components consumed | 26 | 73,671.63 | 58,967.82 |
| Change in inventories of finished goods and work-in-progress | 27 | (1,869.32) | (1,471.71) |
| Excise duty | | - | 150.58 |
| Employee benefit expenses | 28 | 9,815.32 | 8,576.58 |
| Other expenses | 29 | 12,690.48 | 8,131.11 |
| Depreciation and amortisation expenses | 30 | 1,939.86 | 1,714.14 |
| Finance costs | 31 | 3,391.29 | 2,276.62 |
| **Total expenses** | | **99,639.26** | **78,345.14** |
| **Profit before tax** | | **6,995.38** | **10,813.58** |
| **Tax expense** | | | |
| Current tax | | 1,974.03 | 1,630.77 |
| Deferred tax charge / (credit) | | (167.12) | 689.87 |
| Tax relating to earlier years | | 209.51 | 34.18 |
| **Total tax expense** | 32 | **2,016.42** | **2,354.82** |
| Share of Profit / (Loss) from associates | | (180.38) | (6.68) |
| **Profit for the year** | | **4,798.58** | **8,452.08** |
| **Other Comprehensive Income** | 33 | | |
| **Items that will be reclassified to statement of profit or loss** | | | |
| Net movement on cash flow hedges | | - | 70.62 |
| Income tax effect | | - | (24.35) |
| **Items that will not be reclassified to statement of profit or loss** | | | |
| Re-measurement gains / (loss) on defined benefit plans | | (16.34) | 29.36 |
| Net gain/ (loss) on FVTOCI on equity securities | | 128.54 | 274.02 |
| Income tax effect | | (38.30) | (101.95) |
| **Total other comprehensive income for the year, net of tax** | | **73.90** | **247.70** |
| **Total comprehensive income for the year, net of tax** | | **4,872.48** | **8,699.78** |
| **Earnings per share (In Indian Rupees per share):** | 45 | | |
| Basic earnings per share | | 2.09 | 3.68 |
| Diluted earnings per share | | 2.09 | 3.68 |
| Nominal value per equity share | | 1.00 | 1.00 |
| Summary of significant accounting policies | 2.1 | | |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

As per our report of even date
**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

**For and on behalf of the Board of Directors of Genus Power Infrastructures Limited**

**Ishwar Chand Agarwal** Chairman
DIN: 00011152

**Rajendra Kumar Agarwal** Managing Director & CEO
DIN: 00011127

**Nathu Lal Nama** Chief Financial Officer
**Ankit Jhanjhari** Company Secretary
Place: Jaipur
Date: May 11, 2019

## Genus Power Infrastructures Limited

CIN : L51909UP1992PLC051997

### Statement of Consolidated Cash Flows for year ended March 31, 2019

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Profit before tax** | **6,995.38** | **10,813.58** |
| Cash flows from operating activities | | |
| Adjustments for : | | |
| Depreciation and amortisation expenses | 1,939.86 | 1,714.14 |
| Loss on sale of property, plant and equipment (net) | 57.89 | 124.26 |
| Income from government grants | (34.69) | (34.69) |
| Liquidated damages and bad debts written off (net) | 2,424.09 | 1,340.56 |
| Interest expense | 3,391.29 | 2,276.62 |
| Interest income | (828.09) | (817.55) |
| Share based payment expense | 19.47 | (22.92) |
| Net loss/ (gain) on foreign exchange fluctuations (unrealised) | (420.52) | (527.47) |
| Liabilities no longer required written back | (126.35) | (76.66) |
| loss/ gain on financial instruments at fair value through profit or loss | 1,554.54 | (4,125.48) |
| **Operating profit before working capital changes** | **14,972.87** | **10,664.39** |
| **Movement in working capital:** | | |
| Increase in inventories | (1,110.22) | (7,959.57) |
| Increase in trade receivables | (9,338.18) | (17,328.45) |
| Decrease/ (increase) in loans and other financial assets | 2,542.35 | (83.61) |
| Decrease/ (increase) in non financial assets | 1,282.42 | (1,503.62) |
| (Decrease)/ increase in trade payables | (899.36) | 16,135.18 |
| Increase in financial, non financial liabilities and provisions | 71.66 | 1,943.93 |
| **Cash generated from operations** | **7,521.54** | **1,868.25** |
| Income tax paid (net) | (2,471.06) | (1,228.15) |
| **Net cash flows from operating activities (A)** | **5,050.48** | **640.10** |
| **Cash flows used in investing activities** | | |
| Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances | (2,990.32) | (2,602.11) |
| Proceeds from sale of property, plant and equipment | 3.16 | 4.27 |
| Proceeds from Genus Shareholders' Trust | - | 96.19 |
| Investment in associates | (174.00) | (816.00) |
| Investment in preference shares | (2,300.00) | - |
| Investment in equity shares | (435.00) | 567.18 |
| Sale / (Purchase) of mutual fund (net) | 764.60 | 1,810.13 |
| Decrease in margin money deposits (net) | (955.19) | 114.66 |
| Interest received | 1,216.26 | 311.36 |
| **Net cash flows used in investing activities (B)** | **(4,870.49)** | **(514.32)** |
| **Net cash flows used in financing activities** | | |
| Cash proceeds from issue of equity shares (including share application money received) | 4.33 | 9.96 |
| Repayment of long term borrowings | (295.11) | (75.48) |
| Proceeds of long term borrowings | 1,828.73 | 1,722.71 |
| Proceeds / (Repayment) of short term borrowings (net) | 780.78 | (636.36) |
| Dividend and tax on dividend paid | (1,131.68) | (1,070.61) |
| Interest paid | (3,373.21) | (2,285.95) |
| **Net cash flows used in financing activities (C)** | **(2,186.16)** | **(2,335.73)** |

| | | |
|---|---|---|
| Net decrease in cash and cash equivalents (A+B+C) | (2,006.17) | (2,209.95) |
| Cash and cash equivalents at the beginning of the year | (14,298.64) | (12,088.69) |
| **Cash and cash equivalents at the year end** | **(16,304.81)** | **(14,298.64)** |
| **Components of cash and cash equivalents:** | | |
| Balance with banks: | | |
| In current account | 107.09 | 281.82 |
| In cash credit account | 69.35 | 1,470.92 |
| In foreign currency account | 164.43 | 78.73 |
| In deposits with original maturity of less than three months | 1,084.54 | 298.14 |
| In unpaid dividend account* | 43.32 | 39.20 |
| Cash in hand | 15.23 | 9.92 |
| Cash credit from banks | (17,788.77) | (16,477.37) |
| **Total cash and cash Equivalents** | **(16,304.81)** | **(14,298.64)** |

* Can be utilised only for payment of dividend.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

As per our report of even date
**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

**For and on behalf of the Board of Directors of**
**Genus Power Infrastructures Limited**

**Ishwar Chand Agarwal** Chairman
DIN: 00011152

**Rajendra Kumar Agarwal** Managing Director & CEO
DIN: 00011127

**Nathu Lal Nama** Chief Financial Officer
**Ankit Jhanjhari** Company Secretary
Place: Jaipur
Date: May 11, 2019

# Genus Power Infrastructures Limited

CIN : L51909UP1992PLC051997

## Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(All amounts are in Indian Rupees in lacs except share data and unless otherwise stated)

**(a) Equity Share Capital**

| **Equity Shares of Re.1 each, fully paid up** | **March 31, 2019** | | **March 31, 2018** | |
|---|---|---|---|---|
| **At the beginning of the year** | **229,685,481** | **2,296.85** | **229,639,864** | **2,296.39** |
| Issued during the year under Employee Stock Option Plan | 129,634 | 1.30 | 45,617 | 0.46 |
| **At the end of the year** | **229,815,115** | **2,298.15** | **229,685,481** | **2,296.85** |

| **(b) Share Application Money Pending Allotment** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| Share Application Money - ESOP | - | **6.69** |
| | - | **6.69** |

**(c) Other Equity**

| Particulars | Reserves and surplus | | | | | Items of OCI | Total |
|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities Premium | Share Based Payment | General reserve | Retained Earnings | Other comprehensive Income | |
| **As at April 01, 2017** | 294.62 | 8,150.89 | 32.53 | 11,748.32 | 43,806.92 | 623.94 | 64,657.22 |
| Profit for the year | - | - | - | - | 8,452.08 | - | 8,452.08 |
| Other comprehensive income (Note 33) | - | - | - | - | - | 247.70 | 247.70 |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **8,452.08** | **247.70** | **8,699.78** |
| Premium on exercise of employee stock options | - | 2.81 | - | - | - | - | 2.81 |
| Compensation cost of options granted | - | - | (22.92) | - | - | - | (22.92) |
| Proceeds from Genus Shareholders' Trust | - | - | - | 96.19 | - | - | 96.19 |
| Dividend on equity shares - (Note 15A) | - | - | - | - | (900.30) | - | (900.30) |
| Tax on Dividend on equity shares - (Note 15A) | - | - | - | - | (183.70) | - | (183.70) |
| **As at March 31, 2018** | **294.62** | **8,153.70** | **9.61** | **11,844.51** | **51,175.00** | **871.64** | **72,349.08** |
| Profit for the year | - | - | - | - | 4,798.58 | - | 4,798.58 |
| Other comprehensive income (Note 33) | - | - | - | - | - | 73.90 | 73.90 |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **4,798.58** | **73.90** | **4,872.48** |
| Premium on exercise of employee stock options | - | 9.72 | - | - | - | - | 9.72 |
| Compensation cost of options granted | - | - | 19.47 | - | - | - | 19.47 |
| Proceeds from Genus Shareholders' Trust | - | - | - | - | - | - | - |
| Dividend on equity shares - (Note 15A) | - | - | - | - | (942.14) | - | (942.14) |
| Tax on Dividend on equity shares - (Note 15A) | - | - | - | - | (193.66) | - | (193.66) |
| **As at March 31, 2019** | **294.62** | **8,163.42** | **29.08** | **11,844.51** | **54,837.78** | **945.54** | **76,114.97** |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

As per our report of even date
**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

**For and on behalf of the Board of Directors of Genus Power Infrastructures Limited**

**Ishwar Chand Agarwal** Chairman
DIN: 00011152

**Rajendra Kumar Agarwal** Managing Director & CEO
DIN: 00011127

**Nathu Lal Nama** Chief Financial Officer
**Ankit Jhanjhari** Company Secretary
Place: Jaipur
Date: May 11, 2019

# Genus Power Infrastructures Limited

CIN : L51909UP1992PLC051997

## Notes to the consolidated financial statement for the year ended March 31, 2019

**1. Corporate Information**

The consolidated financial statements comprises of Genus Power Infrastructures Limited (the "Parent Company" or "Holding Company") and its subsidiary and associates (collectively, "the Group") for the year ended March 31, 2019. The Holding Company is a public company domiciled in India. The Holding Company is primarily engaged in the business of manufacturing / providing 'Metering and Metering Solutions and undertaking 'Engineering, Construction and Contracts' on turnkey basis. The equity shares of the Holding Company are listed on National Stock Exchange of India Limited and BSE Limited. The registered office of the Holding Company is located at G-14, Sector-63, Noida, Uttar Pradesh-201307 and corporate office at SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur, Rajasthan -302022.

The Consolidated Financial statement were authorised for issue in accordance with a resolution of the directors on May 11, 2019.

**2. Significant Accounting Policies**

**2.1 Basis of Preparation**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated Financial Statements.

The financial statement has been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policies regarding financial instruments)

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

**2.2 Basis of consolidation**

**a.** The consolidated financial statements comprise the financial statements of the Group as at March 31, 2019 and March 31, 2018.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

**b. Consolidation procedure:**

1. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary.
2. Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
3. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
4. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent company of the Group and to the non-controlling interests.

5. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

c. **Investment in Associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Consolidated Financial Statements for the year ended March 31, 2019 have been prepared on the basis of the following entities:

| Name of the Entity | Relationship | Percentage of Holding as at March 31, 2019 | Percentage of Holding as at March 31, 2018 |
|---|---|---|---|
| Genus Shareholders' Trust | Sole beneficiary | - | - |
| Greentech Mega Food Park Limited | Associate | 24.75% | 24.00% |
| M.K.J Manufacturing Private Limited | Associate | 50.00% | 50.00% |

## 2.3 Summary of Significant Accounting Policies

### a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### b. Foreign currencies

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the Group.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group in INR at spot rates at the date the transaction first qualifies for recognition.Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**c. Fair Value Measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**d. Revenue from Contract with Customer**

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group applied Ind AS 115 for the first time. Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidatedInd AS financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group has adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to contracts that are not completed as at 1 April 2018.

The cumulative effect of initially applying Ind AS 115, if any, is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information is not restated and continues to be reported under Ind AS 11 and Ind AS 18.

There has been no significant Impact of adopting Ind AS 115 as at 1 April 2018.

The Goods and service Tax (GST) is not received by the Group on its own account. It is a tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it has been excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

**Determination of Performance Obligation**

Separate performance obligation has been identified in metering projects at contract inception wherein the Holding Company engages itself into Supply and Installation of Meters.

In cases of projects involving supply and installation of bought-out items, the Holding Company has referred to paragraph B19 of Ind AS 115, wherein, the objective of measuring progress in satisfying a performance obligation is not achieved until significant installation of the bought-out item has been made. In such cases, the revenue has been recognised on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

**Revenue from sale of goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligation to which a portion of the transaction price needs to be allocated.

**Revenue from Installation and other services**

The Holding Company provides installation services that are bundled together with the sale of products to a customer. The installation services can be obtained from other providers and do not significantly customise or modify the meter or related products manufactured.

Contracts for bundled sales of meters and related products and installation services are comprised of two performance obligations because the promises to transfer equipment and provide installation services are capable of being distinct and separately identifiable.

The Holding Company recognises revenue from installation services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Holding Company. Revenue from the sale of the meters and related products are recognised at a point in time, generally upon delivery of the equipment.

**Revenue from Erection Contracts**

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The percentage of completion is determined by the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. However, profit is not recognized unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revision to estimates is included in the income statement of the year in which revisions are made. Contract revenue earned in excess of billing has been reflected under "Other current assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the balance sheet.

Price Escalation and other claims or variations in the contract works are included in contract revenue only when:

i. Negotiations have reached to an advanced stage such that it is probable that customer will accept the claim; and

ii. The amount that is probable will be accepted by the customer and can be measured reliably.

**Contract costs**

Costs related to work performed in projects are recognised on an accrual basis, and the costs actually incurred in completing the work performed are recognised as an expense, together with those which, even though they are expected to be incurred in the future, have to be allocated to the work completed to date.

**Contract modifications**

Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. Modifications to the initial contract require the customer's technical and/or financial approval before billings can be issued and the amounts relating to the additional work can be collected. The Group does not recognise the revenue from such additional work until the customer's either of the technical or financial approval has been obtained. In cases where the additional work has been approved but the corresponding change in price has not been determined, the requirement described below for variable consideration is applied: namely, to recognise revenue for an amount with respect to which it is highly probable that a significant reversal will not occur.

**Claims**

A claim is a request for payment of compensation from the customer (for example, for compensation, reimbursement of prolongation costs, etc) that is rejected and being disputed by the customer under the contract. The revenue relating to claims which are pending before various judicial authorities are not recognized till the time it is established that such amounts are clearly due and enforceable.

**Interest income**

For all financial instrument measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included under the head "other income" in the statement of profit and loss.

**e. Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

**f. Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilised during the specified period, i.e., the period for which such credit is allowed to be utilised.

**g. Property, Plant & Equipment**

Property, plant and equipment and capital work in progress are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other (income)/expense, net" in the statement of profit and loss.

Premium paid on leasehold land is amortised over the lease term which is from 90 to 99 years.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which is equal to the life prescribed under the Schedule II to the Companies Act, 2013.

The lives of the assets are as follows:

| **Assets** | **Life of the assets (In Years)** |
|---|---|
| Buildings | 30–60 |
| Plant and Equipment | 6–15 |
| Furniture & Fixtures | 10 |
| Vehicles | 8 |
| Office Equipment | 5 |
| Computers | 3-6 |
| Windmill | 22 |

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

**h. Intangible Assets**

Costs relating to computer software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of three years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**i. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**j. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Group as a lessee**

Operating lease payments are recognised as an expense in the statement of profit and loss over the lease term.

**k. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and Components: Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost of finished goods includes excise duty.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**l. Impairment of Non- Financial Assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**m. Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Warranty Provision**

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**Liquidated damages**

Provision for liquidated damages are recognised on contracts for which delivery dates are exceeded and computed in reasonable manner.

**Other Litigation claims**

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

**Onerous contracts**

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

**n. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation under purchase unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Group treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

**o. Share Based Payments**

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the Group or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**p. Treasury Shares**

The group has investment in Genus Shareholders' Trust ("the Trust") where the Holding Company is the sole beneficiary. The Trust was created as per the approved scheme of amalgamation approved by the Hon'ble Allahabad High Court in 2013. The Trust is administered by an independent trustee. The Trust hold shares in the Holding Company. Since the Holding Company is the sole beneficiary of the trust the group treats the Trust as its extension and shares held by the trust are treated as treasury shares.

Own equity instruments that are acquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in General Reserve.

**q. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instrument at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Grouprecognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity investments:**

All equity investments are measured at fair value except for equity investment in Associates which have been measured at cost. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If an equity instrument is classified as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments classified as FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a) the rights to receive cash flows from the asset have expired, or

b) The Grouphas transferred its rights to receive cash flows from the asset, and

   (i) the Grouphas transferred substantially all the risks and rewards of the asset, or

   (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Financial Guarantee Contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**r. Derivative Financial Instruments**

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss. The foreign exchange forward are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

**s. Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**t. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares in adjusted for treasury shares.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares outstanding, for the effects of all dilutive potential shares.

**u. Segment reporting**

The Group's operations predominately relate only to power segment and accordingly this is the only segment primary segment. Further the geographical segment is based on the areas in which major operating divisions of the Group operates.

**v. Contingent Liability and contingent assets**

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise the contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognise the contingent assets but discloses its existence in the financial statements.

**w. CSR expenditure**

The Group has opted to charge its CSR expenditure incurred during the year to the statement of profit and loss.

**x. Change in accounting policies and disclosures**

**New and amended standards**

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the standalone financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018. There were no significant adjustments required to the retained earnings at April 01, 2018.

(All amounts are in lacs of Indian Rupees except share data and unless otherwise stated)

**3 Property, plant and equipment and intangible assets**

| | Leasehold land | Freehold land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Windmill | Total - Property, plant and equipment | Intangibles - Computer Software |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value (cost or deemed cost)** | | | | | | | | | | | |
| **At March 31, 2017** | **1,559.42** | **600.41** | **6,539.67** | **8,792.90** | **131.29** | **564.16** | **102.15** | **206.47** | **355.20** | **18,851.68** | **253.94** |
| Additions | - | - | 627.40 | 1,287.36 | 25.01 | 110.27 | 14.46 | 64.16 | - | 2,128.66 | 29.72 |
| Disposals | - | - | - | (130.52) | (0.14) | (6.22) | (0.52) | (3.69) | - | (141.09) | - |
| **At March 31, 2018** | **1,559.42** | **600.41** | **7,167.07** | **9,949.74** | **156.16** | **668.21** | **116.09** | **266.94** | **355.20** | **20,839.25** | **283.66** |
| Additions | - | - | 4.59 | 2,737.59 | 32.71 | 141.29 | 12.09 | 156.65 | - | 3,084.92 | 47.94 |
| Disposals | - | - | - | (214.71) | (8.32) | (40.18) | (13.61) | (19.81) | - | (296.63) | (4.05) |
| **At March 31, 2019** | **1,559.42** | **600.41** | **7,171.66** | **12,472.62** | **180.55** | **769.32** | **114.57** | **403.78** | **355.20** | **23,627.54** | **327.55** |
| **Depreciation and amortisation** | | | | | | | | | | | |
| **At March 31, 2017** | **31.29** | **-** | **411.06** | **1,951.13** | **36.04** | **120.02** | **50.91** | **4.22** | **50.64** | **2,655.31** | **97.03** |
| Charge for the year | 18.14 | - | 260.46 | 1,162.71 | 17.38 | 79.16 | 17.46 | 69.75 | 25.32 | 1,650.38 | 63.76 |
| Disposals | - | - | - | (12.34) | (0.02) | (0.01) | (0.05) | (0.13) | - | (12.55) | - |
| **At March 31, 2018** | **49.43** | **-** | **671.52** | **3,101.50** | **53.40** | **199.17** | **68.32** | **73.84** | **75.96** | **4,293.14** | **160.79** |
| Charge for the year | 18.14 | - | 245.12 | 1,388.97 | 19.53 | 84.88 | 13.92 | 84.77 | 25.32 | 1,880.65 | 59.21 |
| Disposals | - | - | - | (164.13) | (7.92) | (32.74) | (12.41) | (18.58) | - | (235.78) | (3.85) |
| **At March 31, 2019** | **67.57** | **-** | **916.64** | **4,326.34** | **65.01** | **251.31** | **69.83** | **140.03** | **101.28** | **5,938.01** | **216.15** |
| **Net block** | | | | | | | | | | | |
| **At March 31, 2018** | **1,509.99** | **600.41** | **6,495.55** | **6,848.24** | **102.76** | **469.04** | **47.77** | **193.10** | **279.24** | **16,546.11** | **122.87** |
| **At March 31, 2019** | **1,491.85** | **600.41** | **6,255.02** | **8,146.28** | **115.54** | **518.01** | **44.74** | **263.75** | **253.92** | **17,689.53** | **111.40** |

Capital work-in-progress ₹ 160.63 Lacs (March 31, 2018: ₹189.48 Lacs)

**Notes**

1. Additions to property, plant and equipment during the year includes capital expenditure towards research centre aggregating to ₹ 74.55 Lacs (March 31, 2018: ₹ 81.29 Lacs) [refer note 44(b)].
2. Refer Note 16 for details of property, plant and equipment pledged as security against borrowings obtained by the Group.

(All amounts are in lacs of Indian Rupees except share data and unless otherwise stated)

| | | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| **4** | **Investments in associates** | | | |
| | Long term, unquoted, in fully paid equity shares at cost | | | |
| | 49,335 (March 31, 2018: 49,335) Equity Shares of ₹ 100 each of M.K.J. Manufacturing Private Limited | | 640.51 | 644.58 |
| | 9,900,000 (March 31, 2018: 8,160,000) Equity Shares of ₹10 each of Greentech Mega Food Park Limited | | 789.55 | 791.85 |
| | | | **1,430.06** | **1,436.43** |
| | Aggregate value of unquoted investments | | 1,430.06 | 1,436.43 |

| | | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| **5** | **Investments** | | | |
| **A.** | **Non-current investments** | | | |
| **(a.)** | **Investment at fair value through OCI (fully paid)** | | | |
| **i.** | **Long term, quoted, in fully paid equity shares** | | | |
| | 500,000 (March 31, 2018: 500,000) Equity Shares of ₹ 1 each in Genus Paper & Boards Limited | | 37.00 | 60.75 |
| | | (I) | **37.00** | **60.75** |
| **ii.** | **Long term, unquoted, in fully paid equity shares** | | | |
| | 536,912 (March 31, 2018: 536,912) Equity Shares of ₹10 each of Genus Innovation Limited | | 817.71 | 895.46 |
| | 6,177,586 (March 31, 2018: 4,677,586) Equity Shares of ₹10 each of Yajur Commodities Limited | | 2,060.84 | 1,395.80 |
| | | (II) | **2,878.55** | **2,291.26** |
| **(b.)** | **Investment at amortised cost (fully paid)** | | | |
| **i.** | **Long term, unquoted, in fully paid preference shares** | | | |
| | 600,000 (March 31, 2018: 600,000) 6% Redeemable, non cumulative, non convertible preference shares ₹ 100 each of Kailash Industries Limited | | 151.12 | 138.64 |
| | 60,000 (March 31, 2018: 60,000) 6% Redeemable, non cumulative, non convertible preference shares ₹100 each of Kailash Vidyut & Ispat Limited | | 15.11 | 13.86 |
| | 2,300,000 (March 31, 2018 : NIL) 9% Redemable, cumulative, non-convertible preference shares of ₹ 100 each of Yajur Commodities Limited | | 2,491.52 | - |
| | 2,200,000 (March 31, 2018 : 2,200,000) 6% Redemable, non-cumulative, non-convertible preference shares of ₹ 100 each of Yajur Commodities Limited | | 1,019.03 | 943.54 |
| | 500,000 (March 31, 2018 : 500,000) 6% Redemable, non-cumulative, non-convertible preference shares of ₹100 each of Yajur Commodities Limited | | 250.12 | 231.60 |
| | | (III) | **3,926.90** | **1,327.64** |
| | | (I)+(II)+(III) | **6,842.45** | **3,679.65** |
| | **Notes:** | | | |
| 1 | Aggregate value of quoted investments | | 37.00 | 60.75 |
| 2 | Aggregate value of unquoted investments | | 6,805.45 | 3,618.90 |
| | | | **6,842.45** | **3,679.65** |
| | | | **March 31, 2019** | **March 31, 2018** |
| **B.** | **Current Investments** | | | |
| | **Investment in units of mutual fund at fair value through Profit or Loss** | | | |
| | 439,166.637 (March 31, 2018: 439,166.637) unit Motilal Oswal Most Focused Multicap 35 Fund - Regular Growth | | 114.07 | 115.52 |
| | 17,865,429.912 (March 31, 2018: NIL) unit HDFC Credit Risk Debt Fund - Regular Plan - Growth | | 2,725.39 | - |
| | 8,148,570.667 (March 31, 2018: NIL) unit ABSL Credit Risk Fund - Growth Direct | | 1,157.02 | - |
| | 9,573,091.712 (March 31, 2018: NIL) unit SBI Debt Fund Series C - 28 (1,240 Days) Direct Plan Growth | | 1,005.61 | - |
| | 4,322,128.001 (March 31, 2018: NIL) unit L&T Credit Risk Fund - Growth | | 911.52 | - |
| | 4,213,899.070 (March 31, 2018: NIL) unit L&T Income Opportunities Fund Direct Plan Growth | | 915.44 | - |
| | 4,251,587.702 (March 31, 2018: NIL) unit ICICI Prudential Credit Risk Fund - Growth | | 844.73 | - |
| | 25,856.104 (March 31, 2018: NIL) unit Baroda Treasury Advantage Fund - Plan A Growth | | 561.00 | - |
| | 18455.873(March 31, 2018: NIL) unit Baroda Treasury Advantage Fund - Plan A Growth | | 400.53 | - |
| | 1,909,111.042 (March 31, 2018: NIL) unit ABSL Credit Risk Fund - Growth Regular | | 260.96 | - |
| | 1,710,000.000 (March 31, 2018: NIL) unit SBI Debt Fund Series C - 26 (1,125 Days) Direct Plan Growth | | 181.88 | - |
| | 199,990.000 (March 31, 2018: NIL) unit Baroda Dynamic Equity Fund- Regular Growth | | 21.12 | - |
| | NIL (March 31, 2018: 3,712,632.355) unit SBI Magnum Income Fund - Direct Plan - Growth | | - | 1,618.64 |

| | | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| | NIL (March 31, 2018: 5,228,466.560) unit SBI Magnum Medium duration Fund - Direct Plan -Growth | | - | 1,642.14 |
| | NIL (March 31, 2018: 1,257,798.350) unit SBI Magnum Income Fund - Regular Plan -Growth | | - | 533.74 |
| | NIL (March 31, 2018: 1,500,437.002) unit DSP BlackRock Credit Risk Fund - Regular Plan - Growth | | - | 429.82 |
| | NIL (March 31, 2018: 1,875,546.253) unit DSP BlackRock Credit Risk Fund - Regular Plan - Growth | | - | 537.28 |
| | NIL (March 31, 2018: 5,962,721.068 ) unit ABSL ST Opportunities Fund - Growth Regular Plan | | - | 1,720.56 |
| | NIL (March 31, 2018: 4,946,479.096) unit ABSL Medium Term Plan - Growth Regular Plan | | - | 1,087.12 |
| | NIL (March 31, 2018: 60,436.971) unit Franklin India Short Term Income Plan - Retail Plan - Growth | | - | 2,218.19 |
| | NIL (March 31, 2018: 7,442,608.205 ) unit HDFC Short Term Plan - Regular Plan - Growth | | - | 2,562.78 |
| | Investment in units of Bonds at fair value through Profit or Loss | | | |
| | 50 (March 31, 2018: NIL) unit 7.17% RIL 08 Nov 2022 | | 500.61 | - |
| | 50 (March 31, 2018: NIL) unit 8.37% NABARD 03 Aug 2021 | | 535.05 | - |
| | 50 (March 31, 2018: NIL) unit 8.50% NABARD 31 Jan 2023 | | 520.19 | - |
| | 70 (March 31, 2018: NIL) unit 8.70% HDFC 15 Dec 2020 | | 718.06 | - |
| | 100 (March 31, 2018: NIL) unit 8.80% LIC HF 24 Dec 2020 | | 1,031.94 | - |
| | | **(A)** | **12,405.12** | **12,465.79** |
| | **Investments in Equity shares at fair value through Profit or Loss** | | | |
| | 47,543,850 equity shares of Genus Paper & Boards Limited | | 3,518.24 | 5,776.73 |
| | | **(B)** | **3,518.24** | **5,776.73** |
| | | **(A) + (B)** | **15,923.36** | **18,242.52** |
| | **Notes:** | | | |
| | 1 Aggregate value of quoted investments | | 15,923.36 | 18,242.52 |
| | 2 Aggregate value of unquoted investments | | - | - |
| **6** | **Loans** | | **March 31, 2019** | **March 31, 2018** |
| | **(Unsecured, considered good unless stated otherwise)** | | | |
| | **A. Non current** | | | |
| | Trade deposits | | 262.89 | 258.30 |
| | Loan and advances to related parties | | 960.93 | 3,330.98 |
| | | | **1,223.82** | **3,589.28** |
| | **Other loans and advances** | | | |
| | Loans to others | | 1,804.50 | 1,804.50 |
| | | | **1,804.50** | **1,804.50** |
| | | | **3,028.32** | **5,393.78** |
| | **B. Current** | | | |
| | Trade deposits | | 382.42 | 584.61 |
| | | | **382.42** | **584.61** |
| | **Other loans and advances** | | | |
| | Other claim receivable | | 42.12 | 16.80 |
| | | | 42.12 | 16.80 |
| | | | **424.54** | **601.41** |
| | Refer note 46 for advances due from related parties | | | |
| **7** | **Other financial assets** | | **March 31, 2019** | **March 31, 2018** |
| | **(Unsecured, considered good)** | | | |
| | **A. Non current** | | | |
| | Retention money and other receivable (refer note 10) | | 826.90 | 385.68 |
| | Non current bank balances (refer note 11) | | 1,015.85 | 893.20 |
| | | | **1,842.75** | **1,278.88** |
| | **B. Current** | | | |
| | Interest receivable | | 331.73 | 1,019.15 |
| | | | **331.73** | **1,019.15** |
| **8** | **Non financial assets** | | **March 31, 2019** | **March 31, 2018** |
| | **(Unsecured, considered good)** | | | |
| | **A. Non current** | | | |
| | Capital advances | | 154.59 | 327.31 |

| | | | |
|---|---|---|---|
| | Advance income-tax (net of provision for taxation) | 78.42 | 23.00 |
| | Balance with statutory/ government authorities | 1,106.83 | 1,422.21 |
| | | **1,339.84** | **1,772.52** |
| | **B. Current** | | |
| | Advances recoverable in cash or kind | 463.34 | 577.30 |
| | Prepaid expenses | 232.31 | 253.50 |
| | Balance with statutory/ government authorities | 2,073.82 | 2,975.40 |
| | Export incentives receivable | 117.32 | 47.63 |
| | | **2,886.79** | **3,853.83** |
| **9** | **Inventories** | **March 31, 2019** | **March 31, 2018** |
| | **(Valued at lower of cost and net realisable value)** | | |
| | Raw materials | 11,896.61 | 12,655.71 |
| | Work-in-progress | 2,484.42 | 2,341.92 |
| | Finished goods | 6,293.15 | 4,566.33 |
| | | **20,674.18** | **19,563.96** |

| | | | |
|---|---|---|---|
| **10** | **Trade receivables** | **March 31, 2019** | **March 31, 2018** |
| | **(Unsecured, considered good unless otherwise stated)** | | |
| | From related party (refer note 46) | 3,640.42 | 3,302.74 |
| | From other parties | 53,667.14 | 47,531.95 |
| | **Total** | **57,307.56** | **50,834.69** |
| | | | |
| | **Breakup of security details** | | |
| | **Non Current** | | |
| | Unsecured, considered good | 826.90 | 385.68 |
| | Amount disclosed under non current other financial assets (refer note 7) | (826.90) | (385.68) |
| | | - | - |
| | **Current** | | |
| | Unsecured, considered good | 57,307.56 | 50,834.69 |
| | Trade Receivables - credit impaired | 492.13 | 492.13 |
| | | **57,799.69** | **51,326.82** |
| | **Impairment allowances** | | |
| | Credit impaired | (492.13) | (492.13) |
| | | **57,307.56** | **50,834.69** |

| | | | |
|---|---|---|---|
| **11** | **Cash and bank balances** | **March 31, 2019** | **March 31, 2018** |
| | **A. Cash and cash equivalents** | | |
| | **Current** | | |
| | Balance with banks: | | |
| | In current account | 107.09 | 281.82 |
| | In cash credit account | 69.35 | 1,470.92 |
| | In foreign currency account | 164.43 | 78.73 |
| | In deposits with original maturity of less than three months | 1,084.54 | 298.14 |
| | In unpaid dividend account* | 43.32 | 39.20 |
| | Cash in hand | 15.23 | 9.92 |
| | | **1,483.96** | **2,178.73** |
| | **B. Other bank balances** | | |
| | **Non Current** | | |
| | Margin money deposits | 1,015.85 | 893.20 |
| | | **1,015.85** | **893.20** |
| | Amount disclosed under non current other financial assets (refer note 7) | (1,015.85) | (893.20) |
| | | - | - |
| | **Current** | | |
| | Margin money deposits | 2,422.92 | 1,590.38 |
| | | **2,422.92** | **1,590.38** |
| | * Can be utilised only for payment of dividend. | | |

| Breakup of financial assets carried at amortised cost/ fair value | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Investments | 22,765.80 | 21,922.17 |
| Loans | 3,452.86 | 5,995.19 |
| Trade receivable | 57,307.56 | 50,834.69 |
| Cash and bank balances | 4,922.73 | 4,662.31 |
| Other financials assets | 1,158.63 | 1,404.83 |
| **Total financial assets carried at amortised cost/ fair value** | **89,607.58** | **84,819.19** |

| 12 | Deferred tax assets (net) | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| | **Deferred tax liability arising on account of temporary differences relating to:** | | | |
| | Accelerated depreciation for tax purposes | | (1,212.62) | (1,231.39) |
| | Impact on account of investment carried at FVTPL | | (273.91) | (453.50) |
| | Impact on account of investment carried at FVTOCI | | (481.40) | (443.36) |
| | Others | | (7.05) | - |
| | Impact on account of re-measurement loss on defined benefit plans | | (12.68) | (12.42) |
| | | **(A)** | **(1,987.66)** | **(2,140.67)** |
| | **Deferred tax asset arising on account of temporary differences relating to:** | | | |
| | Impact on account of employee benefits | | 223.73 | 190.64 |
| | Provision for credit risk impaired | | 171.97 | 171.97 |
| | Discount of retention money | | - | 16.96 |
| | Impact on account of investment carried at amortised cost | | 669.87 | 710.19 |
| | MAT credit entitlement* | | 4,647.06 | 4,722.86 |
| | | **(B)** | **5,712.63** | **5,812.62** |
| | **Deferred tax assets (net)** | **Net deferred tax assets (A)+(B)** | **3,724.97** | **3,671.95** |

| | Opening balance | Recognised in statement of profit & loss | Recognised in OCI | Closing balance |
|---|---|---|---|---|
| **For the year ended March 31, 2019** | | | | |
| Accelerated depreciation for tax purposes | (1,231.39) | 18.77 | - | (1,212.62) |
| Impact on account of investment carried at FVTPL | (453.50) | 179.59 | - | (273.91) |
| Impact on account of investment carried at FVTOCI | (443.36) | - | (38.04) | (481.40) |
| Impact on account of re-measurement loss on defined benefit plans | (12.42) | | (0.26) | (12.68) |
| Impact on account of employee benefits | 190.64 | 33.09 | - | 223.73 |
| Provision for credit risk impaired | 171.97 | - | - | 171.97 |
| Discount of retention money | 16.96 | (16.96) | - | - |
| Impact on account of investment carried at amortised cost | 710.19 | (40.32) | - | 669.87 |
| Others | - | (7.05) | - | (7.05) |
| MAT credit entitlement* | 4,722.86 | (75.80) | - | 4,647.06 |
| | **3,671.95** | **91.32** | **(38.30)** | **3,724.97** |
| **For the year ended March 31, 2018** | | | | |
| Accelerated depreciation for tax purposes | (1,023.22) | (208.17) | - | (1,231.39) |
| Impact on account of investment carried at FVTPL | (119.82) | (333.68) | - | (453.50) |
| Impact on account of investment carried at FVTOCI | (341.53) | - | (101.83) | (443.36) |
| Impact on account of re-measurement loss on defined benefit plans | (12.30) | - | (0.12) | (12.42) |
| Impact on account of employee benefits | 190.20 | 0.44 | - | 190.64 |
| Provision for credit risk impaired | 290.47 | (118.50) | - | 171.97 |
| Discount of retention money | 33.54 | (16.58) | - | 16.96 |
| Impact on account of investment carried at amortised cost | 723.57 | (13.38) | - | 710.19 |
| Others | 24.35 | - | (24.35) | - |
| MAT credit entitlement* | 4,827.30 | (104.44) | - | 4,722.86 |
| | **4,592.56** | **(794.31)** | **(126.30)** | **3,671.95** |

* MAT Credit entitlement is included in current tax expense. The Group is confident of utilising the MAT Credit balance before the expiry of the statutory time limit.

| 13 Share capital | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **Authorised** | | |
| 631,600,000 (March 31, 2018: 631,600,000) equity shares of ₹ 1 each | 6,316.00 | 6,316.00 |
| 504,000 (March 31, 2018: 504,000) 10% redeemable preference shares of ₹100 each | 504.00 | 504.00 |
| 1,500,000 (March 31, 2018: 1,500,000) preference shares of ₹100 each | 1,500.00 | 1,500.00 |
| **Issued, subscribed and fully paid-up shares** | | |
| 257,358,965 (March 31, 2018: 257,229,331) equity shares of ₹ 1 each | 2,573.59 | 2,572.29 |
| Less: Treasury shares | (275.44) | (275.44) |
| | **2,298.15** | **2,296.85** |

**a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year.**

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| **Equity shares** | **Numbers** | **Value** | **Numbers** | **Value** |
| At the beginning of the year | 229,685,481 | 2,296.85 | 229,639,864 | 2,296.39 |
| Issued during the year under employee stock option plan | 129,634 | 1.30 | 45,617 | 0.46 |
| **Outstanding at the end of the year** | **229,815,115** | **2,298.15** | **229,685,481** | **2,296.85** |

**b. Terms / rights attached to equity shares**

The Group has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% equity shares in the Group**

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | **Numbers** | **% holding** | **Numbers** | **% holding** |
| Vivekshil Dealers Private Limited | 23,736,757 | 9.22% | 23,736,757 | 9.23% |
| Kailash Chandra Agarwal | 13,298,356 | 5.17% | 13,298,356 | 5.17% |
| Reliance Capital Trustee Co. Ltd | 13,383,826 | 5.20% | 13,046,078 | 5.07% |

**d. For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Group, refer note 35.**

| 14 Share application money pending allotment | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Share Application Money - ESOP | - | 6.69 |
| | **-** | **6.69** |

| 15 Other equity | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Capital reserve | 294.62 | 294.62 |
| Securities premium reserve | 8,163.42 | 8,153.70 |
| General reserve | 11,844.51 | 11,844.51 |
| Share based payment reserve | 29.08 | 9.61 |
| **Retained earnings** | | |
| Other comprehensive income reserve | 945.54 | 871.64 |
| Surplus in the statement of profit and loss | 54,837.78 | 51,175.00 |
| | **76,114.95** | **72,349.08** |

**Capital reserve**

Represents capital reserve balances of acquired entities which are transferred to the Group upon mergers in the earlier years.

| | | |
|---|---|---|
| As per last balance sheet | 294.62 | 294.62 |
| Add: Additions during the year | - | - |
| **Closing balance** | **294.62** | **294.62** |

**Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only in accordance with the provisions of the Companies Act, 2013.

| | | |
|---|---|---|
| As per last balance sheet | 8,153.70 | 8,150.89 |
| Add: Premium on exercise of employee stock options | 9.72 | 2.81 |
| **Closing balance** | **8,163.42** | **8,153.70** |

**General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Group for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. The Group records the amount received from Genus Shareholders' Trust in general reserve. However, the amount previously transferred to the general reserve can be utilised only in accordance with the requirements of Companies Act, 2013.

| | | |
|---|---|---|
| As per last balance sheet | 11,844.51 | 11,748.32 |
| Add: Additions during the year | - | 96.19 |
| **Closing balance** | **11,844.51** | **11,844.51** |

**Share based payment reserve**

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

| | | |
|---|---|---|
| As per last balance sheet | 9.61 | 32.53 |
| Add: Compensation cost of options granted | 19.47 | (22.92) |
| **Closing balance** | **29.08** | **9.61** |

**Other comprehensive income reserve**

The Group has elected to recognise changes in the fair value of certain investments in equity securities and re-measurement gains/loss on defined benefit plans in other comprehensive income.

| | | |
|---|---|---|
| As per last balance sheet | 871.64 | 623.94 |
| Add: Additions during the year (refer note 33) | 73.90 | 247.70 |
| **Closing balance** | **945.54** | **871.64** |

**Surplus in the statement of profit and loss**

Surplus in the statement of profit and loss are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.

| | | |
|---|---|---|
| As per last balance sheet | 51,175.00 | 43,806.92 |
| Add: Profit for the year | 4,798.58 | 8,452.08 |
| Less: Appropriations | | |
| Dividend @ ₹ 0.41 (March 31, 2018: ₹ 0.35) | 942.14 | 900.30 |
| Tax on equity dividend | 193.66 | 183.70 |
| **Total appropriations** | **1,135.80** | **1,084.00** |
| **Net surplus in the statement of profit and loss** | **54,837.78** | **51,175.00** |
| **Total equity** | **76,114.95** | **72,349.08** |

* Pursuant to the scheme of amalgamation approved by the Hon'ble Allahabad High Court in 2013-14, the shares of the Holding Company held by the Company and Genus Paper & Boards Limited were consequently transferred to the Genus Shareholders' Trust for the benefit of the Company and its shareholders. The Holding Company has accounted for the proceeds received from the trust in reserves as such amounts have arisen on shares of the Holding Company.

| 15A Distribution made and proposed | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **Cash dividends on equity shares declared and paid:** | | |
| Dividend : ₹ 0.41 per share (March 31, 2018: ₹ 0.35 per share) | 942.14 | 900.30 |
| Tax on equity dividend | 193.66 | 183.70 |
| **Proposed dividends on equity shares:** | | |
| Equity dividend : ₹ NIL per share (March 31, 2018: ₹ 0.41 per share) | - | 1,054.64 |
| Tax on proposed dividend | - | 216.78 |

| 16 Borrowings | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **A. Non current borrowings** | | |
| **From banks (secured)** | | |
| Term loans | 3,143.40 | 1,633.47 |
| **Other loans (secured)** | | |
| Vehicle Loan | 210.65 | 186.96 |
| | **3,354.05** | **1,820.43** |
| **Less: Current maturities of Non current borrowings** | | |
| **From banks (secured)** | | |
| Term loans | 750.00 | 130.00 |
| **Other loans (secured)** | | |
| Vehicle loan | 98.19 | 64.00 |
| | **848.19** | **194.00** |
| | **2,505.86** | **1,626.43** |
| The above amount includes: | | |
| **Secured borrowings** | **3,354.05** | **1,820.43** |
| **Unsecured borrowings** | **-** | **-** |
| **B. Current borrowings** | | |
| **Other short term borrowings** | | |
| Cash credit from banks (Secured) | 17,788.77 | 16,477.37 |
| Buyer's credit from banks (Secured) | - | 329.45 |
| Supplier's credit from banks (Secured) | 398.98 | - |
| Bills discounting (Unsecured) | 6,046.34 | 5,335.09 |
| | **24,234.09** | **22,141.91** |
| The above amount includes: | | |
| **Secured borrowings** | **18,187.75** | **16,806.82** |
| **Unsecured borrowings** | **6,046.34** | **5,335.09** |

**Notes:**

1 The term loan of ₹ 1,503.47 Lacs (sanctioned amount ₹ 1,650.00 Lacs) (March 31, 2018: ₹ 1,633.47 Lacs) from a Bank is secured by first exclusive charge on the entire property, plant and equipment of the Group's Assam unit situated at Plot no. 104, Brahmaputra Industrial Park, Amingaon, village - Silalndurighopa, District - Kamrup (R), Assam and unconditional irrevocable personal guarantees of promoters directors Mr. Ishwar Chand Agarwal, Mr. Rajendra Kumar Agarwal and Mr. Jitendra Kumar Agarwal. Interest will be charged @0.20% over MCLR+SP. The loan is repayable in 20 quarterly installment starting from April 2018.

2 The term loan of ₹ 1,639.93 Lacs (sanctioned amount ₹ 3,100.00 Lacs) (March 31, 2018: ₹ Nil) from a Bank is secured by first exclusive charge on the plant and equipment of the Project, first charge by way of equitable mortgage on Factory land and building situated at plot no. 09 & 10, situated at sector-2, IIE, SIDCUL, BHEL Haridwar (Uttarakhand), second charge on current assets of the Group (present and future) and unconditional irrevocable personal guarantees of promoters directors Mr. Ishwar Chand Agarwal, Mr. Rajendra Kumar Agarwal and Mr. Jitendra Kumar Agarwal. Interest will be charged @0.20% over MCLR+SP. The loan is repayable in 20 quarterly installment starting from June 2019.

3 Vehicle loans from banks and non-banking financial companies is secured by way of hypothecation of the vehicles financed by them under the finance scheme. The effective weighted average interest rate is 9.68% (March 31, 2018: 10.88%) p.a.

4 Cash credit, suppliers credit and buyers credit of ₹ 18,187.75 Lacs (March 31, 2018: ₹ 16,806.83 Lacs) of the Group under consortium arrangement from Bank of Baroda, State Bank of India, IDBI Bank Ltd, Axis Bank, Punjab National Bank and Export Import Bank of India, is secured by way of first paripassu charge on entire current assets of the Group both present and future and collateral security by way of 1st Pari-passu charges on the entire unencumbered fixed assets of the Group and equitable mortgage of properties on pari-passu basis situated at SPL-3A & SPL-2A, Sitapura, Jaipur (Rajasthan) and Plot No.12, Sector-4 , IIE Haridwar (Uttarakhand) and further secured by personal guarantees of Mr. Ishwar Chand Agarwal, Mr. Rajendra Kumar Agarwal and Mr. Jitendra Kumar Agarwal.

5 Bills discounting of ₹ 1,268.94 Lacs (March 31, 2018: ₹ 396.99 Lacs) of the Group are secured by inland documentary bills covering dispatches of goods under prime Bank's Letter of credit supported by related documents. The rate of interest is respective period MCLR.

6 Bills discounting of ₹ 4,777.40 Lacs (March 31, 2018: ₹ 4,938.10 Lacs) are discounted on vendors invoices and carried an interest rate calculated at MCLR+0.20% with credit period of upto 90 days. This facility is secured by personal guarantees of Mr. Ishwar Chand Agarwal, Mr. Rajendra Kumar Agarwal and Mr. Jitendra Kumar Agarwal.

| 17 | Other financial liabilities | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **A. Non current** | | |
| | Security deposit received | 3.05 | 66.15 |
| | Retention due to vendors | 905.75 | 518.70 |
| | | **908.80** | **584.85** |
| | **B. Current** | | |
| | Current maturities of long-term borrowings (refer note 16) | 848.19 | 194.00 |
| | Creditors for capital goods | 261.43 | 320.46 |
| | Unclaimed dividend (refer note 43) | 43.32 | 39.20 |
| | Interest accrued but not due on borrowings | 20.26 | 2.18 |
| | Foreign exchange forward contracts | 79.11 | - |
| | | **1,252.31** | **555.84** |

| 18 | Provisions | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **A. Non current** | | |
| | **Other provisions** | | |
| | For warranties (refer note 52) | 2,245.64 | 1,454.36 |
| | | **2,245.64** | **1,454.36** |
| | **B. Current** | | |
| | **Other provisions** | | |
| | For future foreseeable losses | 614.97 | 679.37 |
| | For warranties (refer note 52) | 561.41 | 358.09 |
| | | **1,176.38** | **1,037.46** |

| 19 | Government Grants | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | As per last balance sheet | 237.02 | 271.71 |
| | Recognised in the statement of profit and loss | (34.69) | (34.69) |
| | **Closing Balance** | **202.33** | **237.02** |
| | | | |
| | **Non current** | 167.65 | 202.33 |
| | **Current** | 34.69 | 34.69 |

Government Grant has been received towards certain items of property, plant and equipment under the Modified Special Incentive Package Scheme (M-SIPS) for one of the manufacturing units of the Company towards manufacturing of the products that are approved under the scheme.

| 20 | Net employee defined benefit liabilities | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **A. Non current** | | |
| | Provision for gratuity (refer note 36(2)) | 204.52 | 100.96 |
| | | **204.52** | **100.96** |
| | **B. Current** | | |
| | Provision for compensated absences | 217.93 | 228.60 |
| | | **217.93** | **228.60** |

| 21 | Trade payables | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Trade payables (Refer note 42 for details of dues to micro and small enterprises) | | |
| | - Micro and small enterprise | 6,081.88 | 385.13 |
| | - Other than micro and small enterprise | 17,441.93 | 24,584.91 |
| | | **23,523.81** | **24,970.04** |

Trade payables are non-interest bearing.
Refer note 46 for trade payables to related parties.
For explanations on the Company's credit risk management processes, refer to Note 41.

**Breakup of financial liabilities carried at amortised cost/ fair value**

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Borrowing | 28,436.33 | 24,156.33 |
| Other liabilities | 1,312.92 | 946.69 |
| Trade payables | 23,523.81 | 24,970.04 |
| | **53,273.06** | **50,073.06** |

| 22 | Current tax liabilities (net) | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Provision for income tax (net of advance tax) | - | 307.91 |
| | | **-** | **307.91** |

| 23 | Non-financial liabilities | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Advance from customers | 807.10 | 1,209.89 |
| | Statutory liabilities | 588.61 | 525.15 |
| | Contract liability - Revenue in excess of billing | 1,344.48 | 2,343.30 |
| | | **2,740.19** | **4,078.34** |

| 24 | Revenue from contracts with customers | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Revenue from sale of goods | 91,547.40 | 71,761.11 |
| | Revenue from rendering of services | 3,832.54 | 1,043.13 |
| | Revenue from construction contracts | 9,760.03 | 10,457.57 |
| | Other operating revenue | | |
| | Scrap sales | 71.32 | 92.38 |
| | Export and other incentives | 335.37 | 301.51 |
| | | **105,546.66** | **83,655.70** |
| | **Revenue by geography** | | |
| | In India | 98,507.07 | 80,684.86 |
| | Outside India | 7,039.59 | 2,970.84 |
| | | **105,546.66** | **83,655.70** |
| | **Timing of revenue recognition** | | |
| | Goods transferred at a point in time | 91,954.09 | 72,155.00 |
| | Services transferred over a period | 3,832.54 | 1,043.13 |
| | Goods and services related to construction contracts transferred over a period | 9,760.03 | 10,457.57 |
| | | **105,546.66** | **83,655.70** |
| | **Contract balances** | | |
| | **Contract liability** | | |
| | Contract liability - Revenue in excess of billing | 1,344.48 | 2,343.30 |
| | | **1,344.48** | **2,343.30** |

Sale of goods includes excise duty collected from customers of ₹ NIL (March 31, 2018: ₹ 150.58 lacs). Revenue from contract with customers for previous periods up to June 30, 2017 includes excise duty. From July 01, 2017, excise duty and other major indirect taxes in India have been replaced with Goods and Service Tax (GST). the Group collects GST on behalf of the Government. Hence, GST is not included in Revenue from contract with customers. In view of the aforesaid change in indirect taxes, Revenue from contract with customers year ended March 31, 2019 is not comparable March 31, 2018.

| 25 | Other income | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Interest income on : | | |
| | Bank deposits | 212.27 | 183.83 |
| | Preference shares | 299.25 | 99.64 |
| | Other advances and deposits | 316.57 | 534.08 |
| | Liabilities no longer required written back | 126.35 | 76.66 |
| | Gain on financial instruments at fair value through profit or loss | - | 4,125.48 |
| | Gain on foreign currency transactions (net) | - | 336.41 |
| | Miscellaneous income | 133.54 | 146.92 |
| | | **1,087.98** | **5,503.02** |

| 26 | Cost of raw material and components consumed | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **Raw material consumed (including erection expenses)** | | |
| | Opening stock at the beginning of the year | 12,655.71 | 6,167.85 |
| | Add: Purchases (including erection expenses) | 72,912.53 | 65,455.68 |
| | | 85,568.24 | 71,623.53 |
| | Less: Closing stock at the end of the year | 11,896.61 | 12,655.71 |
| | | **73,671.63** | **58,967.82** |

| 27 | Change in Inventories of finished goods and work-in-progress | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| | **Inventories at the end of the year** | | | |
| | Finished goods | | 6,293.15 | 4,566.33 |
| | Work-in-progress | | 2,484.42 | 2,341.92 |
| | | (A) | **8,777.57** | **6,908.25** |
| | **Inventories at the beginning of the year** | | | |
| | Finished goods | | 4,566.33 | 3,438.74 |
| | Work-in-progress | | 2,341.92 | 1,997.80 |
| | | (B) | **6,908.25** | **5,436.54** |
| | | (B) - (A) | **(1,869.32)** | **(1,471.71)** |

| 28 | Employee benefit expenses | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Salaries, wages and bonus | 9,016.71 | 7,935.28 |
| | Contribution to provident and other funds (refer note 36(1)) | 339.85 | 308.33 |
| | Share based payment expense (refer note 35) | 19.47 | (22.92) |
| | Gratuity expense (refer note 36(2)) | 88.78 | 94.27 |
| | Staff welfare expenses | 350.51 | 261.63 |
| | | **9,815.32** | **8,576.59** |

| 29 | Other expenses | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Sampling and testing expenses | 307.48 | 275.12 |
| | Power and fuel | 525.29 | 480.15 |
| | Decrease of excise duty on inventory | - | (58.79) |
| | Repairs and maintenance | | |
| | Plant and machinery | 534.21 | 496.33 |
| | Buildings | 16.42 | 26.33 |
| | Others | 113.14 | 83.78 |
| | Rent (refer note 47) | 199.67 | 172.77 |
| | Rates and taxes | 501.85 | 371.72 |
| | Printing, postage, telegram and telephones | 101.30 | 112.53 |
| | Insurance | 164.39 | 133.58 |
| | Legal and professional charges | 527.59 | 473.45 |
| | Payment to statutory auditors (refer note 37) | 52.80 | 53.01 |
| | Loss on financial instruments at fair value through profit or loss | 1,554.54 | - |
| | Advertisement and sales commission expenses | 372.56 | 491.71 |
| | Freight and forwarding expenses | 826.84 | 702.45 |
| | Travelling and conveyance | 1,025.80 | 918.18 |
| | Warranty expenses | 1,655.01 | 1,473.77 |
| | Donations | 5.45 | 0.46 |
| | Donations to political party | 940.00 | - |
| | CSR expenditure (refer note 53) | 142.99 | 93.34 |
| | Liquidated damages and bad debts written off (net of recovery) | 2,424.09 | 1,340.56 |
| | Loss on sale of property, plant and equipment (net) | 57.89 | 124.26 |
| | Loss on foreign currency transactions (net) | 220.33 | - |
| | Miscellaneous expenses | 420.84 | 366.40 |
| | | **12,690.48** | **8,131.11** |

| 30 | Depreciation and amortisation expenses | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Depreciation on tangible assets | 1,880.65 | 1,650.38 |
| | Amortisation on intangible assets | 59.21 | 63.76 |
| | | **1,939.86** | **1,714.14** |

| 31 | Finance costs | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | Interest on loans from banks | 2,297.14 | 1,584.56 |
| | Interest on others | 214.02 | 84.86 |
| | Bank charges | 880.13 | 607.20 |
| | | **3,391.29** | **2,276.62** |

| 32 | Tax expenses | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | **Income tax expenses** | | |
| | The major component of income tax expenses are as follows: | | |
| | **Current Income tax:** | | |
| | Current income tax charges | 1,974.03 | 1,630.77 |
| | **Deferred tax:** | | |
| | Relating to origination and reversal of temporary differences | (167.12) | 689.87 |
| | | **1,806.91** | **2,320.64** |
| | Adjustment in respect of current income tax of previous years | 209.51 | 34.18 |
| | **Income tax expenses reported in the statement of profit or loss** | **2,016.42** | **2,354.82** |
| | **Reconciliation of effective tax rate:** | **March 31, 2019** | **March 31, 2018** |
| | Profit before tax (A) | 6,995.38 | 10,813.58 |
| | Enacted tax rate in India (B) | 34.944% | 34.608% |
| | Expected Tax Expenses (C= A*B) | 2,444.47 | 3,742.36 |
| | Actual Tax expense (net of tax for earlier years) | 1,806.91 | 2,320.64 |
| | **Difference (Note A)** | **637.56** | **1,421.72** |
| | **Note A: Reconciliation of difference for effective tax** | | |
| | **Other than temporary difference** | | |
| | Expenses disallowed under Income Tax Act, 1961 (net) | (72.69) | (161.60) |
| | Tax holiday and other benefits allowed under various provisions of Income Tax Act, 1961 | 1,028.59 | 2,123.29 |
| | Others | (318.34) | (539.97) |
| | | **637.56** | **1,421.72** |

| 33 | Components of Other Comprehensive Income (OCI) | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| | The disaggregation of changes to OCI by each type of reserve in equity is shown as below: | | |
| | **Items that will be reclassified to profit or loss** | | |
| | Net movement on cash flow hedges | - | 70.62 |
| | Income tax effect | - | (24.35) |
| | **Items that will not be reclassified to profit or loss** | | |
| | Re-measurement gains / (loss) on defined benefit plans | (16.34) | 29.36 |
| | Net gain/ (loss) on FVTOCI on equity securities | 128.54 | 274.02 |
| | Income tax effect | (38.30) | (101.95) |
| | | **73.90** | **247.70** |

**34 Commitments and Contingencies**

**(A) Commitments**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for in books | 357.33 | 1310.66 |

**(B) Contingent liabilities**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| a. Bank guarantee issued by banks and against which margin money of ₹ 373.33 Lacs (March 31, 2018: ₹ 613.67 Lacs) was provided in the form of fixed deposits. | 7,466.61 | 12,136.90 |
| b. Corporate guarantee to banks utilised to secure the credit facilities of others (The Company have given guarantee to secure the credit facilities up to ₹ 23,000 Lacs (March 31, 2018 : ₹ 23,000 Lacs) | 6,855.00 | 7,868.00 |
| c. Claims arising from disputes not acknowledged as debts - indirect taxes | 2,768.33 | 2,778.72 |
| d. Claims arising from disputes not acknowledged as debts - direct taxes | 234.26 | 230.12 |
| e. Claims against the Group not acknowledged as debts | 218.43 | 157.73 |

f. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order (if any). the Group will update its provision, on receiving further clarity on the subject.

## 35 Share based payments

**Employee Stock Option Scheme "ESOS-2012"**

The Group instituted an Employee Stock Option Plan "ESOS-2012" as per the special resolution passed in a General Meeting held on December 29, 2012. This scheme has been formulated in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and is in compliance with Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Group has reserved issuance of 7,945,000 (March 31, 2018: 7,945,000) equity shares of face value of ₹ 1 each for offering to eligible employees of the Group under Employees Stock Option Scheme-2012 (ESOS-2012). In the earlier years, the Group has granted 2,840,300 options which includes 1,815,600 options at a price of ₹ 7 per option (adjusted for shares issued pursuant to scheme of arrangement), 582,000 options at a price of ₹ 6 per option (adjusted for shares issued pursuant to scheme of arrangement) and 442,700 options at a price of ₹ 27.10 per option. During the year, the Group has granted 2,416,065 options at a price of ₹ 30.30 per option. The options would vest over a maximum period of 6 years or such other period as may be decided by the Nomination and Remuneration Committee from the date of grant based on specified criteria.

**The details of option outstanding of ESOS 2012 are as below:**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Options outstanding at the beginning of the year | 320,844 | 1,044,727 |
| Granted during the year | 2,416,065 | - |
| Vested / exercisable during the year | 171,033 | 117,542 |
| Exercised during the year | 129,634 | 45,617 |
| Forfeited during the year subject to reissue | 36,056 | 678,266 |
| Options outstanding at end of the year | 2,571,219 | 320,844 |
| Weighted average exercise price (₹) | 30.08 | 19.37 |
| Weighted average fair value of options at the date of grant (₹) | 15.48 | 12.74 |

| Particulars | Range of exercise prices | Number of options outstanding | Weighted average remaining contractual life of options (in years) |
|---|---|---|---|
| As at March 31, 2019 | ₹ 6.00 to ₹ 30.30 | 2,571,219 | 8.56 |
| As at March 31, 2018 | ₹ 6.00 to ₹ 27.10 | 320,844 | 4.96 |

The Black Scholes valuation model has been used for computing the weighted average fair value of the options. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| | Grant IV | Grant III | Grant II | Grant I |
|---|---|---|---|---|
| Dividend yield | 1.35% | 0.37% | 0.85% | 0.75% |
| Expected volatility | 53.61% | 57.76% | 62.26% | 62.42% |
| Risk-free interest rate | 7.37% | 8.32% | 7.82% | 7.88% |
| Weighted average price (in ₹) | 30.30 | 15.91 | 6.90 | 7.85 |
| Exercise price (in ₹) | 30.30 | 27.10 | 6.00 | 7.00 |
| Expected life of options granted (in years) | 5.51 | 5.50 | 5.50 | 5.50 |

## 36 Gratuity and other post-employment benefit plans

**(1) Disclosures related to defined contribution plan**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Provident fund contribution recognised as expense in the statement of profit and loss | 293.14 | 260.94 |

**(2) Disclosures related to defined benefit plan**

The Company has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. The Employees' Gratuity Fund Scheme managed by a trust is a defined benefit gratuity plan which is administered through Group Gratuity Scheme with Life Insurance Corporation of India. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

**Statement of profit and loss**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **A) Net employee benefit expense (recognised in Employee benefits expenses)** | | |
| Current service cost | 83.98 | 79.74 |
| Interest cost on benefit obligation | 52.71 | 45.94 |
| Interest on plan asset | (44.24) | (42.66) |
| Net actuarial (gain) / loss recognized in the year | 12.08 | (29.36) |
| **Net employee benefit expenses** | **104.53** | **53.66** |

| | | |
|---|---|---|
| Amount recognised in the statement of profit and loss | 88.19 | 83.02 |
| Amount recognised in other comprehensive income | 16.34 | (29.36) |

**B) Amount recognised in the Balance Sheet**

| **Particulars** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| **Details of provision for gratuity** | | |
| Defined benefit obligation (DBO) | 785.26 | 683.68 |
| Fair value of plan assets (FVPA) | (580.74) | (582.72) |
| **Net plan liability** | **204.52** | **100.96** |

**C) Changes in the present value of the defined benefit obligation for gratuity are as follows :**

| **Particulars** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| Opening defined benefit obligation | 683.68 | 609.34 |
| Current service cost | 83.98 | 79.74 |
| Interest cost | 52.71 | 45.94 |
| Past Service Cost | - | 10.61 |
| Benefits paid | (47.19) | (32.59) |
| Actuarial (gains) / losses on obligation for the year | 12.08 | (29.36) |
| **Closing defined benefit obligation** | **785.26** | **683.68** |

**D) Changes in fair value of plan assets**

| **Particulars** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| Opening fair value of plan assets | 582.72 | 513.52 |
| Interest on plan asset | 44.24 | 42.66 |
| Contributions by employer | 4.53 | 62.09 |
| Benefits paid | (47.19) | (32.59) |
| Fund management charges | (3.56) | (2.96) |
| **Closing fair value of plan assets** | **580.74** | **582.72** |

**E) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below**

| **Particulars** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| Discount rate (p.a.) | 7.65% | 7.71% |
| Expected return on assets (p.a.) | 7.80% | 8.35% |
| Increment rate (p.a.) | 7.00% | 7.00% |

**F) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flow**

Expected benefit payments for the year ending:

| **Year** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| 2018 - 2019 | | 46.25 |
| 2019 - 2020 | 49.17 | 11.29 |
| 2020 - 2021 | 12.79 | 12.09 |
| 2021 - 2022 | 12.62 | 14.43 |
| 2022 - 2023 | 17.03 | 21.33 |
| 2023 - 2024 | 30.48 | |

**G) Sensitivity Analysis**

A quantitative sensitivity analysis for the significant assumption is as shown below:

| **Particulars** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| (a) Effect of 0.5% change in assumed discount rate | | |
| - 0.5% increase | (41.85) | (37.72) |
| - 0.5% decrease | 45.42 | 41.05 |
| (b) Effect of 0.5% change in assumed salary escalation rate | | |
| - 0.5% increase | 41.66 | 38.14 |
| - 0.5% decrease | (39.10) | (35.64) |

**(3) Notes:**

1 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

2 Percentage of plan assets as investments with insurer is 100%.

3 The expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**37 Remuneration to statutory auditors (excluding applicable taxes)**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **As Auditors:** | | |
| Statutory audit (including limited review) | 46.50 | 46.50 |
| Tax audit | 1.25 | 1.25 |
| **In other capacity:** | | |
| Certification | 2.16 | 1.45 |
| Reimbursement of expenses | 2.89 | 3.81 |
| **Total** | **52.80** | **53.01** |

**38 Hedging Activities and Derivatives**

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one week to twelve months.

Particulars of unhedged foreign currency exposure are detailed below at the exchange rate prevailing as at the reporting date :

**(Equivalent amount in Indian Rupees)**

| Particulars | Currency | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Short term borrowings | USD | 99.21 | 172.34 |
| Trade receivables | USD | 1,757.38 | 864.14 |
| | EUR | 32.60 | 0.39 |
| Trade payables including interest accrued but not due on | USD | 9,542.92 | 11,359.76 |
| borrowings and creditors for capital goods | JPY | 6.23 | 0.39 |
| | EUR | 61.67 | 3.16 |
| Advances recoverable in cash or kind | USD | - | 24.16 |
| Capital advances | USD | - | 102.24 |
| Bank balances | USD | 2.16 | 7.21 |
| | SGD | 162.27 | 76.56 |

Details of foreign currency exposure that has been hedged by forward contract are as follows:

| Particulars | Currency | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Trade payable and short term borrowings | USD | 1,343.49 | 799.32 |

**39 Fair values**

The fair value of the financial assets and liabilities approximates their carrying amounts as at the balance sheet date.

**40 Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy of assets as at March 31, 2019**

| | Valuation technique | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Assets measured at fair value | | | |
| Investment in equity shares (Quoted) | Level 1 | 37.00 | 60.75 |
| Investment in mutual funds (Quoted) | Level 1 | 12,405.12 | 12,465.79 |
| Investment in equity shares (Unquoted) | Level 3 | 2,878.55 | 2,291.26 |

**Measurement of fair value - valuation techniques**

The following table shows the valuation techniques used in measuring Level 3 fair values for assets and liabilities carried at fair value

| Type | Valuation Technique |
|---|---|
| Investment in equity shares (Unquoted) | The fair value is determined using discounted cash flow of future projections of cash flow to be generated by the Group. |

**Description of significant unobservable inputs to valuation**

| Significant unobservable inputs | Sensitivity of the input to fair value | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Weighted average cost of capital | Decrease in discount rate by 1% would increase the valuation by | 260.37 | 162.40 |
| | increase in discount rate by 1% would decrease the valuation by | (227.91) | (146.56) |

## 41 Financial risk management objectives and policies

**Financial Risk Management Framework**

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. the Group's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalent and other bank balances.

The Group is exposed to credit risk, market risk and liquidity risk. the Group has a risk management policy and its management is supported by a risk management committee that advices on risk and appropriate financial risk governance framework for the Group. The risk management committee provides assurance to the Group's management that the risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The audit committee and the Board of Directors reviews and agrees policies for managing each of these risks.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and loans to companies).

**Exposure to credit risk**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 60,899.89 Lacs (March 31, 2018: ₹ 56,355.85 lacs), being the total of the carrying amount of balances with trade receivables (including retention money) and loans to companies.

**Liquidity Risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based in contractual undiscounted payments:

| | Upto 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| **March 31, 2019** | | | | |
| Borrowings | 25,082.28 | 3,354.05 | - | 28,436.33 |
| Trade payables | 23,523.68 | - | - | 23,523.68 |
| Other payables | 404.12 | 908.80 | - | 1,312.92 |
| | **49,010.08** | **4,262.85** | **-** | **53,272.93** |
| **March 31, 2018** | | | | |
| Borrowings | 22,335.91 | 1,626.43 | - | 23,962.34 |
| Trade payables | 24,969.89 | - | - | 24,969.89 |
| Other payables | 361.84 | 584.85 | - | 946.69 |
| | **47,667.64** | **2,211.28** | **-** | **49,878.92** |

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. As the Group has debt obligation with floating interest rates, the Group is exposed to the risk of changes in market interest rates. As the Group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

**Foreign Currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The risks primarily relate to fluctuations in US Dollar, Japanese Yen , SGD and Euro against the functional currency of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign currency payable. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is disclosed in note no. 38.

**42 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| The principal amount remaining unpaid as at the end of the year. | 6,081.88 | 385.13 |
| The amount of interest accrued and remaining unpaid at the end of the year. | 34.58 | - |
| Amount of interest paid by the Company in terms of section 16 of Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payments made beyond the appointed date during the year. | - | - |
| Amount of interest due and payable for the period of delay in making payment without the interest specified under the Micro Small and Medium Enterprise Development Act, 2006. | 34.58 | - |
| The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | 18.89 | - |

**43** In respect of the amounts mentioned under section 125 of the Companies Act, 2013 there are no dues that are to be credited to the Investor Education and Protection Fund as at March 31, 2019 and March 31, 2018. During the year, the Company has transferred ₹ 2.41 lacs (March 31, 2018: ₹ 2.12 lacs) to Investor Education and Protection Fund.

**44 Research and development expenses**

**a. Details of research and development expenses incurred during the year, debited under various heads of statement of profit and loss is given below:**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Cost of material consumed | 138.35 | 118.96 |
| Employee benefit expenses | 1,020.13 | 981.34 |
| Legal and professional charges | 12.93 | 47.97 |
| Travelling and conveyance | 100.87 | 88.36 |
| Sampling and testing expenses | 37.14 | 31.43 |
| Others | 117.43 | 123.38 |
| **Total** | **1,426.85** | **1,391.44** |

**b. Details of capital expenditure incurred for research and development are given below:**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Plant and equipments | 39.75 | 23.99 |
| Computers | 27.93 | 53.42 |
| Office equipment | 4.33 | 1.59 |
| Furniture and fixtures | 2.54 | 2.09 |
| **Total** | **74.55** | **81.09** |

**45 Earning per share (EPS)**

| Particulars | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Profit available for equity shareholders (profit after tax) | | 4,798.58 | 8,452.08 |
| Weighted average number of equity shares in computing basic EPS | (a) | 257,358,965 | 257,212,834 |
| Effect of dilution on account of Employee stock options granted | (b) | 127,786 | 226,845 |
| **Weighted average number of equity shares considered for calculation of diluted EPS** | **(a)+(b)** | **257,486,751** | **257,439,679** |

**46 Related party disclosures**

**Names of related parties and description of relationship**

| Relationship | Name of the Party | |
|---|---|---|
| Associates | M.K.J. Manufacturing Private Limited | |
| | Greentech Mega Food Park Limited (formerly known as Greentech Mega Food Park Private Limited) | |
| Key managerial personnel (KMP) | Mr. Ishwar Chand Agarwal | Executive Chairman |
| | Mr. Rajendra Kumar Agarwal | Managing Director & CEO |

| | | |
|---|---|---|
| | Mr. Jitendra Kumar Agarwal | Joint Managing Director |
| | Mr. Rakesh Kumar Agarwal* | Chief Financial Officer |
| | Mr. Nathu Lal Nama** | Chief Financial Officer |
| | Mr. Ankit Jhanjhari | Company Secretary |
| Relatives to key managerial personnel | Amit Agarwal (HUF) | |
| | Rajendra Kumar Agarwal (HUF) | |
| | Mrs. Monisha Agarwal | |
| | Mrs. Anju Agarwal | |
| | Mrs. Shanti Devi Agarwal | |
| Enterprises in which the KMP have control or have significant influence | Yajur Commodities Limited | |
| | J. C. Textiles Private Limited | |
| | Hi-Print Electromack Private Limited | |
| | Genus Paper & Boards Limited | |
| | Genus Consortium | |
| | Genus Innovation Limited | |
| | Genus Electrotech Limited | |
| Independent and Non Executive Directors | Mr. Dharam Chand Agarwal | |
| | Mr. Rameshwar Pareek | |
| | Mr. Bhairon Singh Solanki*** | |
| | Mr. Indraj Mal Bhutoria*** | |
| | Mr. Udit Agarwal | |
| | Mrs. Mansi Kothari**** | |
| Non Independent and Non Executive Directors | Mrs. Sharmila Agarwal***** | |
| | Mr. Kailash Chandra Agarwal | |

* Resigned with effect from February 05, 2018
** Appointed with effect from May 11, 2018
*** Resigned with effect from April 01, 2019
**** Appointed with effect from May 11, 2019
***** Resigned with effect from May 13, 2019

**Transactions with related parties**

| **Particulars** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| **Associates** | | |
| **M.K.J. Manufacturing Private Limited** | | |
| Loans given | - | 89.00 |
| Loans repaid | 37.11 | - |
| Balance receivable | 96.52 | 133.63 |
| **Greentech Mega Food Park Limited (formally known as Greentech Mega Food Park Private Limited)** | | |
| Investment made – equity shares | 174.00 | 304.02 |
| Closing Investment Balance | 990.00 | 816.00 |
| **Enterprises in which the KMP have control or have significant influence** | | |
| **Yajur Commodities Limited** | | |
| Interest income | 90.66 | 292.33 |
| Loans repaid | 2,843.81 | - |
| Investment made – preference shares | 2,300.00 | - |
| Investment made – equity shares | 435.00 | - |
| Guarantee commission | 46.00 | 26.00 |
| Corporate guarantee utilised | 6,855.00 | 7,868.00 |
| Balance receivable | - | 2,753.15 |
| **J. C. Textiles Private Limited** | | |
| Rent paid | 28.32 | 27.24 |
| Balance payable | - | 2.16 |

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **Hi-Print Electromack Private Limited** | | |
| Rent paid | - | 7.20 |
| Rent deposit received | 35.00 | - |
| Rent deposit receivable | - | 35.00 |
| | | |
| **Genus Paper & Boards Limited** | | |
| Sale of goods and services | 0.19 | 0.28 |
| | | |
| **Genus Consortium** | | |
| Advance given | 3.40 | 1.70 |
| Balance receivable | 960.93 | 957.53 |
| | | |
| **Genus Innovation Limited** | | |
| Sale of goods and services | 3,754.67 | 6,641.29 |
| Purchase of goods and services | 499.76 | 485.98 |
| Purchase of fixed assets | 98.79 | 30.31 |
| Sale of fixed assets | 0.25 | 2.93 |
| Balance receivable | 3,591.97 | 3,302.74 |
| | | |
| **Genus Electrotech Limited** | | |
| Sale of goods and services | 3.47 | 69.15 |
| Purchase of goods and services | 1,969.76 | 2,188.71 |
| Purchase of fixed assets | 0.42 | 0.82 |
| Sale of fixed assets | - | 0.31 |
| Interest income | 0.20 | 7.49 |
| Discounts | - | 2.28 |
| Sale of trademark usage rights | 10.00 | - |
| Balance payable | 191.58 | 114.24 |
| | | |
| **Key managerial personnel** | | |
| **Mr. Ishwar Chand Agarwal** | | |
| Remuneration* | 300.00 | 300.00 |
| | | |
| **Mr. Rajendra Kumar Agarwal** | | |
| Rental charges | 4.28 | 2.61 |
| Remuneration* | 240.00 | 240.00 |
| Commission | 35.00 | - |
| | | |
| **Mr. Jitendra Kumar Agarwal** | | |
| Rental charges | 2.40 | 0.90 |
| Remuneration* | 240.00 | 240.00 |
| Commission | 35.00 | - |
| | | |
| **Mr. Rakesh Kumar Agarwal** | | |
| Salary paid | - | 28.05 |
| | | |
| **Mr. Nathu Lal Nama** | | |
| Salary paid | 33.82 | 28.35 |
| Employee stock options | 1.02 | - |
| | | |
| **Mr. Ankit Jhanjhari** | | |
| Salary paid | 13.34 | 13.34 |
| Employee stock options | 0.30 | - |
| | | |
| **Relatives to key managerial personnel** | | |
| **Amit Agarwal (HUF)** | | |
| Rental charges | 8.50 | 8.17 |
| Balance payable | - | 0.65 |

| | | |
|---|---|---|
| **Rajendra Kumar Agarwal (HUF)** | | |
| Rental charges | 7.20 | 7.20 |
| **Mrs. Anju Agarwal** | | |
| Rental charges | 3.00 | 3.00 |
| **Mrs. Monisha Agarwal** | | |
| Rental charges | 3.00 | 3.00 |
| **Mrs. Shanti Devi Agarwal** | | |
| Rental charges | 0.60 | - |
| **Independent and Non Executive Directors** | | |
| **Mr. Dharam Chand Agarwal** | | |
| Sitting fees | 0.94 | 0.68 |
| **Mr. Rameshwar Pareek** | | |
| Sitting fees | 0.75 | 0.55 |
| **Mr. Bhairon Singh Solanki*** ** | | |
| Sitting fees | 0.88 | 0.64 |
| **Mr. Indraj Mal Bhutoria*** ** | | |
| Sitting fees | 0.45 | 0.20 |
| **Mr. Udit Agarwal** | | |
| Sitting fees | 0.45 | 0.30 |

* Does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

**47 Leases - operating leases**

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/ cancellable at the option of either of the parties. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease expenses recognised in the statement of profit and loss is ₹ 199.67 Lacs (March 31, 2018: ₹ 172.77 Lacs).

**48 Disclosure required under section 186 (4) of the Companies Act, 2013**

Included in loans and advance and interest receivable are certain inter-corporate deposits the particulars of which are disclosed below as required by section 186 (4) of Companies Act, 2013:

| Particulars | Rate of Interest | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Yajur Commodities Limited | 10% | - | 2,753.15 |
| M.K.J. Manufacturing Private Limited | 12% | 96.52 | 133.62 |
| Orchid Infrastructure Developers Private Limited | 10% | 1,905.21 | 2,169.77 |
| **Total** | | **2,001.73** | **5,056.54** |

The above loans are unsecured and are repayable on demand. The loans and guarantees given during the year were proposed to be utilised for business purposes by the recipient of loans or guarantees.

**49 Loans and advances given to Associates and Companies in which director are interested**

| Name of the Company | Closing Balance | | Max. amount outstanding | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Yajur Commodities Limited | - | 2,753.15 | 2,753.15 | 3,590.05 |
| M.K.J. Manufacturing Private Limited | 96.52 | 133.62 | 133.62 | 133.63 |

**50 Significant accounting judgements, estimates and assumptions**

The preparation of the Group's separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. There are no significant areas involving a high degree of judgement or complexity.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation. Further details about gratuity obligations are given in Note 36(2).

**51 Capital Management**

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value and keep the debt equity ratio within acceptable range. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders and issue new shares.

**52 Warranty expenses**

The Group provides warranties for its products, undertaking to repair and replace the item that fails to perform satisfactorily during the warranty period. A provision is recognized for expected warranty claims on products sold based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provisions.

| **Particulars** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| At the beginning of the year | 1,812.45 | 1,562.33 |
| Additions during the year | 1,655.01 | 1,473.77 |
| Utilized during the year | 660.41 | 1,223.65 |
| **At the end of the year** | **2,807.05** | **1,812.45** |

**53** The Group has spent ₹ 142.99 lacs (March 31, 2018 : ₹ 93.34 lacs) as against total requirement of ₹ 152.84 Lacs (March 31, 2018 : ₹156.90 Lacs) as per section 135 of the Companies Act, 2013. The amount contributed towards CSR activities are for various items mentioned in schedule VII of the Companies Act, 2013 and is approved by the CSR Committee.

| | **In cash** | **Yet to be paid in cash** | **Total** |
|---|---|---|---|
| **March 31, 2019** | | | |
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 142.99 | - | 142.99 |
| | **142.99** | **-** | **142.99** |
| **March 31, 2018** | | | |
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 93.34 | - | 93.34 |
| | **93.34** | **-** | **93.34** |

**54 Investment in Associate**

The Group has 50% interest in M.K.J Manufacturing Private Limited and 24.75% interest in Greentech Mega Food Park Limited which has been accounted using the equity method in the consolidated financial statements. The same are as follows:

| **Name of the entity** | **Greentech Mega Food Park Limited** | | **M.K.J Manufacturing Private Limited** | |
|---|---|---|---|---|
| | **March 31, 2019** | **March 31, 2018** | **March 31, 2019** | **March 31, 2018** |
| Current assets | 432.73 | 1,912.79 | 73.32 | 217.21 |
| Non-current assets | 10,371.21 | 9,218.87 | 1,502.13 | 840.73 |

| | | | | |
|---|---|---|---|---|
| Current liabilities | 535.20 | 716.01 | 133.32 | 76.31 |
| Non-current liabilities | 7,042.31 | 7,077.47 | 1,280.29 | 803.32 |
| **Equity** | **3,226.43** | **3,338.18** | **161.84** | **178.31** |
| **Proportion of the Group's ownership** | **24.75%** | **24.00%** | **50.00%** | **50.00%** |
| Group's ownership | 798.54 | 801.16 | 80.92 | 89.15 |
| Carrying amount of the investment | 789.55 | 791.85 | 640.51 | 644.58 |

**Statement of profit and loss**

| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| Revenue | 208.24 | 31.91 | 195.05 | 139.40 |
| Other income | 138.55 | 43.30 | 0.26 | - |
| Cost of material consumed | 7.65 | 53.17 | | - |
| Change in inventories of finished goods and work-in-progress | 54.69 | (63.62) | | - |
| Depreciation & amortisation | 309.37 | 78.99 | 12.70 | 1.93 |
| Finance cost | 290.70 | 37.80 | 63.52 | 49.60 |
| Employee benefit | 156.44 | 24.80 | 10.50 | 2.73 |
| Other expense | 239.68 | 44.71 | 98.24 | 40.50 |
| **Profit before tax** | **(711.74)** | **(100.64)** | **10.35** | **44.64** |
| Income tax expense | - | - | 18.50 | 9.72 |
| **Total comprehensive income for the year** | **(711.74)** | **(100.64)** | **(8.15)** | **34.92** |
| **Group's share of profit for the year** | **(176.16)** | **(24.15)** | **(4.07)** | **17.46** |

55 **Summary of net assets and profits**

| | | Net Assets* | | |
|---|---|---|---|---|
| **Name the entity** | **March 31, 2019** | | **March 31, 2018** | |
| | **%age** | **Amount** | **%age** | **Amount** |
| A. **Holding Company** | 103.36% | 81,049.62 | 100.26% | 74,850.28 |
| B. **Sole beneficiary of the Trust** | | | | |
| Genus Shareholders' Trust | 7.65% | 5,994.93 | 8.03% | 5,994.93 |
| C. **Associates incorporated in India (Investment as per Equity Method)** | | | | |
| Greentech Mega Food Park Limited | 4.11% | 3,226.43 | 4.47% | 3,338.18 |
| M.K.J. Manufacturing Private Limited | 0.21% | 161.84 | 0.24% | 178.31 |
| **Total** | **115.33%** | **90,432.82** | **113.01%** | **84,361.70** |
| Consolidation Adjustments | -15.33% | (12,019.70) | -13.01% | (9,709.08) |
| **Net Amount** | **100.00%** | **78,413.12** | **100.00%** | **74,652.62** |

| | | Share of Profit/(Loss) | | |
|---|---|---|---|---|
| **Name the entity** | **March 31, 2019** | | **March 31, 2018** | |
| | **%age** | **Amount** | **%age** | **Amount** |
| A. **Holding Company** | 150.05% | 7,311.34 | 62.10% | 5,402.18 |
| B. **Sole beneficiary of the Trust** | | | | |
| Genus Shareholders' Trust | 0.00% | - | 0.00% | - |
| C. **Associates incorporated in India (Investment as per Equity Method)** | | | | |
| Greentech Mega Food Park Limited | -14.61% | (711.74) | -1.16% | (100.64) |
| M.K.J. Manufacturing Private Limited | -0.17% | (8.15) | 0.40% | 34.92 |
| **Total** | **135.28%** | **6,591.45** | **61.34%** | **5,336.46** |
| Consolidation Adjustments | -35.28% | (1,718.98) | 38.66% | 3,363.32 |
| **Net Amount** | **100.00%** | **4,872.48** | **100.00%** | **8,699.78** |

* Net assets means total assets minus total liabilities excluding shareholder funds

**Note:**

The disclosure above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impact on elimination of inter-company transactions/ profits/ consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.

**56 Standards Issued but not yet effective**

**Ind AS 116 Leases**

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The Group intends to adopt these standards from April 01, 2019. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the evaluation has been completed.

As per our report of even date
**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

**per Shankar Srinivasan**
Partner
Membership No.213271
Place: Jaipur
Date: May 11, 2019

As per our report of even date
**For D. KHANNA & ASSOCIATES**
Registration number: 012917N
Chartered Accountants

**per Deepak Khanna**
Partner
Membership No. 092140
Place: Jaipur
Date: May 11, 2019

**For and on behalf of the Board of Directors of**
**Genus Power Infrastructures Limited**

**Ishwar Chand Agarwal** Chairman
DIN: 00011152

**Rajendra Kumar Agarwal** Managing Director & CEO
DIN: 00011127

**Nathu Lal Nama** Chief Financial Officer
**Ankit Jhanjhari** Company Secretary
Place: Jaipur
Date: May 11, 2019

## Notes

## Notes

# EVENTS

## Vendor Meet-2019



## INNOVATION DAY


# EVENTS

## Supplier Excellence Award 2019 (CESC)


## Quality Circle Awards (2018)



## CSR
Social Commitments

Genus
energizing lives

# FOUNDER'S DAY
2019




**Genus**
*energizing lives*

Genus Power Infrastructures Limited
(A Kailash Group Company)

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