



# GLOBAL ENERGY LIMITED

GESCO Corporate Centre 70, Nehru Place, New Delhi 110019.  
Tel: 011-41551295, 46577792 Fax: 011-41551294 Email: globalenergy@gmail.com

January 31, 2008.

The Secretary,  
Delhi State Electricity Regulatory Commission,  
Viniyamak Bhawan, C- Block,  
Shivalik, Malviya Nagar  
New Delhi-110017

**Sub: Intra-state trading license**

Dear Sir,

This is with reference to your letter dated 21.01.2008 with regard to the deficiencies as observed by the Hon'ble Commission.

Hence, we are enclosing herewith the Application for Grant of Intra State Trading Licence with the modifications as instructed by you in the letter.

Thanking you,

Yours faithfully,

**Maj. Gen. N S Pathania,**  
Director



**ATTESTED**  
Notary Public Delhi  
- 1 FEB 2008

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*Attested*

*H. S. S. S.*



Application form for grant of Intra -State Trading Licence

**BEFORE THE DELHI STATE ELECTRICITY REGULATORY COMMISSION,**

NEW DELHI

Application No: .....

Case No. ....

**Particulars of the Applicant**

1. Name of the applicant	Global Energy Limited. (GEL)			
2. Address of the Registered office	C-301, House of Lords, opposite Marriot hotel, Miramar, Panaji, Goa-403001			
3. Name, Designation and address of the contact person	Maj Gen N S Pathania (Retd), Managing Director, C-301, House of Lords, opposite Marriot hotel, Miramar, Panaji, Goa-403001			
4. Local Address	Gesco Corporate Centre, 70 Nehru Place, New Delhi 19			
5. Contact Tel. Nos	+91-22-22022206, 22020823			
6. Fax No.	+91-22-22047699			
7. Email ID	globalenergy@gmail.com			
8. Place of Incorporation/Registration	Panaji, Goa			
9. Year of Incorporation/Registration :	1994			
10. Category for which the licence is being applied	CATEGORY D			
11. Following documents are to be enclosed				
a) Certificate of registration :	Enclosed as Annexure -1			
b) Certificate for commencement of business :	Not Applicable (Since the company was initially incorporated as a Private Limited Company)			
c) Original power of attorney of the signatory to commit the Applicant or its promoter	Not Applicable, since the applicant is the signatory.			
e) Details of Income Tax Registration	AAACC8058K			
<b>Details of Financial Data of Applicant</b>				
12. Net worth (in equivalent Indian Rupees-conversion to be done at the rate of exchange prevailing at the end of each year) for immediate past five financial years. (Specify financial year as applicable)				
	(DD/MM/YY) to (DD/MM/YY)	In Home Currency (In Lacs)	Exchange Rate used	In Equivalent Indian Rs.
(a) Year 1	(01/04/01) to (31/03/02)	1776.91		1776.91
(b) Year 2	(01/04/02) to (31/03/03)	1882.89		1882.89
(c) Year 3	(01/04/03) to (31/03/04)	2730.02		2730.02
(d) Year 4	(01/04/04) to (31/03/05)	2494.40		2494.40
(e) Year 5	(01/04/05) to (31/03/06)	2367.83		2367.83
Copies of Annual Reports or certified audited results to be enclosed in support of above are Annexed		Enclosed as Annexure - 2(a) to 2(e)		

-1 FEB 2008

Notary Public Delhi

13. (a) Annual turnover (in equivalent Indian Rupees - conversion to be done at the rate of exchange prevailing at the end of each year) for immediate past five financial years. (Specify financial year as applicable)

(DD/MM/YY) to (DD/MM/YY)	In Home Currency (In Lacs)	Exchange Rate used	In Equivalent Indian Rs.
(a) Year 1 (01/04/01) to (31/03/02)	9.80		9.80
(b) Year 2 (01/04/02) to (31/03/03)	5.07		5.07
(c) Year 3 (01/04/03) to (31/03/04)	555.43		555.43
(d) Year 4 (01/04/04) to (31/03/05)	173.26		173.26
(e) Year 5 (01/04/05) to (31/03/06)	123.41		123.41

(f) Copies of Annual Reports or certified audited results to be enclosed in support of above. Enclosed as Annexure - 2(a)-2(e)

14. List of documents enclosed in support of SL.Nos.(12) and (13)

Name of the document	
(a) Certificate of registration	Enclosed as Annexure -1
b) Certificate for commencement of business	Not Applicable (Since the company was initially incorporated as a Private Limited Company)
c) Original power of attorney of the signatory to commit the Applicant or its promoter	Not Applicable, since the applicant is the signatory.
d) Details of Income tax Registration	Enclosed as Annexure-3
15. (a) Whether applicant himself shall be financing the trading operations fully on its own balance sheet	Yes
(b) If, yes, proposed equity from the applicant	Existing Equity
(i) Amount	
(ii) Percentage	




*Signature*

ATTESTED

Notary Public Delhi

-1 FEB 2008

16. In case the Applicant proposes to tie up with some other Agency for equity, then name & address of such agency	Not Applicable
(a) Name, designation & Address of reference person of the other Agency:	Not Applicable
(b) Contact Tel. No.:	Not Applicable
(c) Fax No.:	Not Applicable
(d) E-mail ID:	Not Applicable
(e) Proposed equity from the other Agency:	Not Applicable
(i) Amount:	Not Applicable
(ii) Percentage of total equity:	Not Applicable
(iii) Currency in which the equity is proposed:	Not Applicable
(f) Consent letter of the other agency to associate with the Applicant for equity participation to be enclosed:	Not Applicable
(g) Nature of proposed tie-up between the Applicant and the other agency.:	Not Applicable
17. Details of debt proposed for the trading activity	Not Applicable
(a) Details of lenders:	Not Applicable
(b) Amount to be sourced from various lenders	Not Applicable
(c) Letters from the lenders in support of the above to be enclosed.	Not Applicable
18. Organizational & Managerial Capability of the applicant: (The applicant is required to enclose evidence in respect of his Organizational & Managerial Capability, in terms of these regulations, in the form of proposed organizational structure & curricula vitae of various executives, proposed office and communication facilities etc..)	Enclosed as Annexure 4
19. Approach and Methodology (The Applicant is required to describe approach & methodology for establishment of the trading arrangements as proposed by him. This should contain a statement of the volume of power intended to be traded during the first year after the grant of licence and future plans for trading during the next five years.)	Enclosed as Annexure-5
20. Copies of company's Articles of Association, Memorandum of Association, Partnership deeds and similar constitutional documents	Enclosed as Annexure 6.
Place: New Delhi	
Dated: 31/01/2008	 Signature of the applicant



**ATTESTED**  
Notary Public Delhi

1 FEB 2008



दिल्ली DELHI

12AA 708709

**Before The Delhi Electricity Regulatory Commission**  
**New Delhi**

FILING NO.:

CASE NO.:

(To be filled by the Office)

IN THE MATTER OF:

**Application for grant of Intra state trading license to M/S Global Energy Limited**  
**AND**

IN THE MATTER OF:

**GLOBAL ENERGY LIMITED**

C-301, House of Lords, Opposite Marriot Hotel, Miramar, Panaji, Goa-403001

**Affidavit verifying the Petition/reply/application**

I, Major Gen.N.S.Pathania(Rtd), son of Shri Anant Singh Pathania aged  
About 60 years, residing at C-381, Defence Colony, New Delhi-110024

do solemnly affirm and say as follows:



*Rajesh Kumar Singh*

1. I am a Director of **M/S GLOBAL ENERGY LIMITED**, The applicant in the above matter and am duly authorized by the said applicant to make this affidavit.
  2. The statements made in paragraphs **1 to 20** of the application herein now shown to me are true to my knowledge and the statements made in paragraphs **1 to 20** are based on information received from company seconds and I believe them to be true.
- Deponent.

I solemnly affirm at **2:30 pm** on this day of **31/01/2008** that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been Concealed therefrom.

*H. Prakash*

Witness: Deponent

**ATTESTED**

**Notary Public Delhi**

**31 FEB 2008**





प्रारूप. आई. आर.  
Form I R.

निगमन का प्रमाण-पत्र  
**CERTIFICATE OF INCORPORATION**

ता. \_\_\_\_\_ का ति. \_\_\_\_\_

No. 24-01063 of 1994

में एतद्वारा प्रमाणित करता हूँ कि आज \_\_\_\_\_

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी  
परिमित है।

I hereby certify that GLOBAL ENERGY PRIVATE LIMITED

\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*

is this day incorporated under the Companies Act, 1956 (No. 1 of  
1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता. \_\_\_\_\_ को रखा गया।

Given under my hand at PANAJI this THIRTY SEVENTH  
day of SEPTEMBER One thousand nine hundred and FIFTY FOUR  
(5 AGVINA, SIKA 1916)



*R. V. D. D.*  
(R. V. D. D.)  
कम्पनियों का रजिस्ट्रार  
Registrar of Companies  
GOA, DAMAN & DIU

*B. S. D. D.*

For Global Energy Ltd.

Authorised Signatory

For Global Energy Ltd.

Authorised Signatory

For Global Energy Limited

Company Secretary

*B. S. D. D.*



GLOBAL ENERGY LIMITED

EIGHTH ANNUAL REPORT

2001-2002

*H. Srinivasan*

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## GLOBAL ENERGY LIMITED

606, Classik commercial Center  
Church Square, Panjim, Goa - 403001

31

Directors : Shri. Harry Dhaul  
Smt. Laxmi Dhaul  
Shri. Mikhail Dhaul  
Shri. Karan Dhaul

Bankers : CITI BANK, MUMBAI  
HDFC - DELHI, GOA.

Auditors : Udayavar Dhanesh Kumar & Associates  
Chartered Accountants  
Mumbai

Registered office : 606, Classik Commercial Center  
Church Square, Panjim,  
Goa - 403001

Administrative Office : 22 Rakhi Mahal  
Dinshaw Wachha Road  
Churchgate,  
Mumbai - 400020

Tel : 2022206/0827

C - 67 Defence Colony  
New Delhi : 110024

4624135/37

Power Plant : Village : Belgundi  
District : Belgaum 591108

Tel: 55240/249/241

*Handwritten signature*

65

77

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# GLOBAL ENERGY LIMITED

22, Rakhi Mahal, Dinshaw Wacha Road, Mumbai - 400 020. Tel.: 2022206, 2020827, Fax: 20111

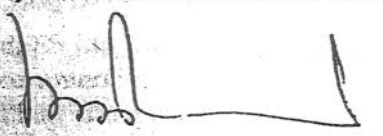
## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the members of GLOBAL ENERGY LIMITED will be held on 29<sup>th</sup> September 2002 at 11.00 a.m. at 606, CLASSIK COMMERCIAL CENTER, CHURCH SQUARE, PANJIM, GOA-403 001.

### Ordinary Business:

- > To receive, consider and adopt the Profit and Loss Account and Balance Sheet of the Company and Reports of the Directors and Auditors thereon, for the financial year ended 31<sup>st</sup> March, 2002.
- > To re-appoint M/s. Udayavar Dhanesh Kumar & Associates, Chartered Accountants, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.
- > To appoint director in place of Mrs. Laxmi Dhaul, who retires by rotation and being eligible offers herself for re-appointment.

BY ORDER OF THE BOARD  
for GLOBAL ENERGY LIMITED

  
HARRY DHAUL  
(Director)

Date: 25/08/02

### Notes:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER. THE PROXY FORMS SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.





# GLOBAL ENERGY LIMITED

22, Rakhi Mahal, Dinshaw Wacha Road, Mumbai - 400 020. Tel: 2022206, 2020827, Fax: 204711

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Report with the audited accounts of your Company for the year ended 31st March, 2002.

### FINANCIAL PERFORMANCE

The Annual Accounts accompanying this report are self-explanatory and provides the overall picture of the financial operations during the year.

BSES Ltd. has invested money in the Power Plant till 31<sup>st</sup>. March, 2002. However, the same is not accounted for in the books of account due to lack of account statements and documentary evidence from BSES Ltd.

### FIXED DEPOSITS

The Company has not accepted any deposit from public during the year under review.

### DEVELOPMENTS

BSES Ltd. has committed to invest additional amounts until the commencement of the commercial operations of Phase I of the Power Plant (5MW). The 1<sup>st</sup>. Phase of Power Plant is expected to be fully operational by December 2002 and thereafter provide O & M support for the 2<sup>nd</sup>. Phase of 17 MW. BSES Ltd. has also committed to build, commission and operate the aforesaid Power Plant. In terms of agreement, BSES will be repaid only upon commissioning of the Power Plant by BSES, and in terms of a revenue sharing formula specified in the agreement.

You Directors are hopeful of starting the Power Plant operations shortly.

### PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS:

The company not being a manufacturing company, particulars as to conservation of energy & technology do not form part of this report.

There were no foreign exchange earnings or outgo for the financial year 2000-2002.

*[Signature]*

*[Signature]*

67

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PARTICULAR OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956

Statement of particulars of employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1974, to do not form part of this report as there are no employees whose income exceeded the prescribed limits for the financial year 2000-2002.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 as inserted vide Companies Amendment Act, 2000 your Directors report that,

- 1 In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departure;
- 2 They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company and the end of the relevant financial period and of the Profit and Loss of the company for that period;
- 3 They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4 They have prepared the annual accounts on a going concern basis.

APPOINTMENT OF AUDITORS:

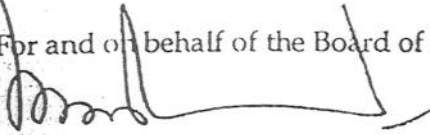
The Statutory Auditors of the Company, M/s. Udayavar Dhanesh Kumar & Associates, Chartered Accountants retire at the ensuing annual general meeting of the company and being eligible hereby offer themselves for reappointment.

*Udayavar Dhanesh Kumar*

ACKNOWLEDGEMENT:

The Board of Directors' thank the Company's promoters, customers, bankers and employees for their continued support.

For and on behalf of the Board of Directors,



Harry Dhaul  
Director

Date: 25/08/02

Place: Mumbai

*Robitran*

*Harry Dhaul*

81 69

Dhanesh Kumar Udayavar  
B.Com, A.C.A

UDAYAVAR DHANESH KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
B/7, Ambekar Nagar, Off.G.D. Ambekar Marg, Parel, Mumbai 400 012  
Tel.91-22-414 90 26

## AUDITORS REPORT

To,  
The Members of  
Global Energy Limited.

We have audited the attached Balance Sheet of Global Energy Ltd as at 31st March, 2002 and also the annexed Profit and Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. As required by the Manufacturing and Other Companies (Auditors Report) Order 1988, issued by the Central Government and on the basis of such checks as we consider appropriate and as per the information and explanation given to us during the course of the audit, we further report that:
2. Further to our comments in the Annexure referred to in Paragraph 1 above:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
  - b) In our opinion, proper books of accounts as required by law have been maintained by the company so far as appears from our examination of those books.
  - c) The Balance Sheet and Profit and Loss account dealt with by this report are in the agreement with the books of Accounts;

*H. Prasad*

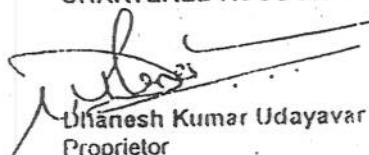
*to*

*82*



- d) The accounts of the Company confirm to the Accounting Standards pursuant to section 211 (3C) of the Companies Act, 1956.
3. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2002 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2002 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
4. In our opinion and to the best of our information and knowledge and according to the explanation given to us, the accounts read together with the Notes to Accounts in Schedule 11 gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view.
- a) In case of the Balance Sheet Of the State of affairs of the Company as at 31st March, 2002  
and
- b) In the case of Profit and Loss Account, of the loss for the year ended on that date.

For UDAYAVAR DHANESH KUMAR ASSOCIATES  
CHARTERED ACCOUNTANTS

  
Udayavar Dhanesh Kumar  
Proprietor

Place : Mumbai

Date : 25/08/02

*H. S. S. S.*

8371

ANNEXURE TO THE AUDITORS REPORT  
(referred to in paragraph 1 of our report of even date)

- 1) The fixed assets register remains to be finalized for want of account statement from BSES Ltd. (Refer Clause 14 of Notes to Accounts) and proper documentary supportings. As explained to us, the Management has physically verified all the fixed assets during the year. *In view of the above, we are unable to comment whether any material discrepancies were noticed on such verification and whether the same have been properly dealt with in the books of accounts.*
- 2) None of the Fixed Assets of the Company have been revalued during the year.
- 3) In respect of its Power Project, since the Company has not commenced commercial operations till 31st March, 2002 sub paragraphs (iii), (iv), (v), (vi), (xi), (xvi) of paragraph 4(A) of the Order, are not applicable.
- 4) The Company has taken interest free loans from parties listed (being a shareholder) in the registers maintained under section 301 of the Companies Act, 1956 and the terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
- 5) The Company has given advances in the nature of loans to a Company, listed in the register maintained under section 301 of the Companies Act 1956. In our opinion, the same is not prejudicial to the interest of the Company.
- 6) The Company has not granted interest free loans, to its employees and other parties.
- 7) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of Plant and Machinery, Equipment and other assets.
- 8) According to the information and explanation given to us, the company has not accepted deposits from public within the meaning of section 58A of the Companies Act, 1956. and rules framed thereunder.

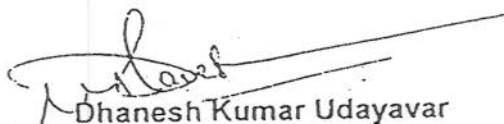
*[Signature]*

*[Signature]*

*[Signature]*

- 9) According to the information and explanation given to us, the company has no by-products and there were no sale of scrap during the year.
- 10) The Company has adequate internal audit system commensurate with size of the Company. The Company is in the process of appointing an external internal auditor.
- 11) We are informed that the provisions of Employees Provident Fund Act, 1952 and Employees State Insurance Scheme are applicable to the company.
- 12) According to the information and explanation given to us, undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom duty and Excise duty as at the last day of financial year which are outstanding for a period of more than six months from the date they become payable.
- 13) According to the information and explanation given to us, personal expenses of employees and Directors have been charged to revenue accounts, other than those payable under contractual obligation or in accordance with generally accepted business practices.
- 14) The Company not being an industrial undertaking, the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the company.

For UDAYAVAR DHANESH KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS

  
Dhanesh Kumar Udayavar  
Proprietor

Place Mumbai  
Date 28/12/12





# GLOBAL ENERGY LIMITED

## BALANCE SHEET as at 31st. March, 2002

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Schedule	As at 31st. March, 2002	As at 31st. March, 2001
----------	----------------------------	----------------------------

### SOURCES OF FUNDS

#### SHARE HOLDERS FUNDS

- a) Share Capital
- b) Reserves & Surplus
- c) Share Application Money

#### LOAN FUNDS

- a) Secured Loans
- b) Unsecured Loans

#### TOTAL

### APPLICATION OF FUNDS

#### FIXED ASSETS

#### INVESTMENTS

#### CURRENT ASSETS, LOANS & ADVANCES

- a) Cash & Bank Balances
- b) Loans & Advances

#### Less: CURRENT LIABILITIES

#### NET CURRENT LIABILITIES

#### MISCELLANEOUS EXPENDITURE

#### TOTAL

Notes to Accounts

as per our Report of even date

For UDAYAVAR DHANESH KUMAR & ASSOCIATES

Chartered Accountants

Dhanesh Kumar Udayavar  
Proprietor

Place: Mumbai  
Date: 25/03/02

*[Signature]*

For and on behalf of Board of Directors

Harry Dhaul

Laxmi Dhaul

86 74

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# GLOBAL ENERGY LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st. March, 2002

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Schedule	As at 31st. March, 2002	As at 31st. March, 2001
----------	----------------------------	----------------------------

### INCOME

Income from Generation  
Other Income

10

980,000.00

130,000.00

980,000.00

480,000.00

TOTAL

### EXPENDITURE

Advertisement & Sponsorship Expenses  
Bank Charges  
Electricity Charges  
Commission paid  
Office Rent  
Hire Charges  
Security Charges  
Xerox Machine rental charges  
Audit Fees  
Conveyance  
Telephone Expenses  
Courier Charges  
Office Expenses  
Printing & Stationery  
Miscellaneous Expenses

196,623.00

6,792.00

24,340.00

25,000.00

216,000.00

-

-

-

19,950.00

6,266.00

369,927.00

-

-

6,202.00

9,800.00

175.00

-

-

252,000.00

312,000.00

83,415.00

67,932.00

15,750.00

2,516.00

-

1,025.00

3,560.00

-

915.00

1,380,905.00

739,288.00

TOTAL

Profit / (Loss) for the year transferred to  
Work in Progress Account

(400,905.00)

(259,288.00)

Notes to Accounts

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As per our Report of even date

For UDAYAVAR DHANESH KUMAR & ASSOCIATES  
Chartered Accountants

Dhanesh Kumar Udayavar  
Proprietor

Place: Mumbai  
Date: 25/08/02

*[Signature]*

For and on behalf of Board of Directors

*[Signature]*

Harry Dhaul

*[Signature]*

Laxmi Dhaul

87 9x

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# GLOBAL ENERGY LIMITED

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## SCHEDULES FORMING PART OF BALANCE SHEET

As at 31st. March,  
2002

As at 31st. March,  
2001

### Schedule 1: SHARE CAPITAL

Authorised Capital  
50,00,000 Equity Shares of Rs. 10/- each.

50,00,000.00	50,00,000.00
--------------	--------------

Issued, Subscribed & Paid up Capital  
30,00,501 Equity Shares of Rs. 10/- each.  
(Previous Year : 30,00,501 Equity Shares)

30,005,010.00	30,005,010.00
---------------	---------------

30,005,010.00	30,005,010.00
---------------	---------------

### Schedule 2: RESERVES & SURPLUS

Share Premium

90,00,000.00	90,00,000.00
--------------	--------------

90,00,000.00	90,00,000.00
--------------	--------------

### Schedule 3: SECURED LOANS

BSES LTD.  
(against any immovable property of the Company or any  
of its promoters or a third party)

7,697,000.00	
--------------	--

7,697,000.00	
--------------	--

### Schedule 4: UNSECURED LOANS

From Directors  
Fusion Energy Technologies Pvt. Ltd.

518,750.00	624,750.00
------------	------------

518,750.00	624,750.00
------------	------------

### Schedule 5: FIXED ASSETS

Lease Hold Land  
Fixed Deposit on Power Plant Assets  
Xerox Machine

1,000,000.00	1,000,000.00
--------------	--------------

150,000,000.00	150,000,000.00
----------------	----------------

40,000.00	40,000.00
-----------	-----------

151,040,000.00	151,040,000.00
----------------	----------------

Total - A

### Capital Work in Progress

Opening Balance at the beginning of the year

49,413,583.00	49,154,295.00
---------------	---------------

Add: Additions during the year

8,310,646.00	
--------------	--

Total Additions

8,310,646.00	
--------------	--

Add: Amount of unabsorbed Revenue Expenditure

400,905.00	259,255.00
------------	------------

Total - B

58,125,134.00	49,413,583.00
---------------	---------------

Total Fixed Assets (A + B)

209,165,134.00	200,453,583.00
----------------	----------------

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*[Handwritten initials]*

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19.

## GLOBAL ENERGY LIMITED

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## SCHEDULES FORMING PART OF BALANCE SHEET

Schedule 6: CASH & BANK BALANCE

	As at 31st. March, 2002	As at 31st. March, 2001
Cash in Hand	299,807.00	5,939.00
Balances with Scheduled Banks in Current Account	19,613.99	3,111.00
	<u>319,420.99</u>	<u>9,041.00</u>

Schedule 7: LOANS & ADVANCES

(Unsecured and considered good)

Advances recoverable in cash or kind for the value to be received

7,851,993.00	143,365.00
--------------	------------

<u>7,851,993.00</u>	<u>143,365.00</u>
---------------------	-------------------

Schedule 8: CURRENT LIABILITIES

Sundry Creditors for Expenses

Other Liabilities

1,389,037.99	249,479.00
30,040,000.00	30,040,000.00

<u>31,429,037.99</u>	<u>30,289,479.00</u>
----------------------	----------------------

Schedule 9: MISCELLANEOUS EXPENDITURE

(to the extent not written off)

Preliminary Expenses

Share Issue Expenses

190,750.00	190,750.00
122,500.00	122,500.00

<u>313,250.00</u>	<u>313,250.00</u>
-------------------	-------------------

## SCHEDULES FORMING PART OF PROFIT &amp; LOSS ACCOUNT

Schedule 10: OTHER INCOME

Consultancy Charges received

Reimbursement of expenses

500,000.00	
480,000.00	480,000.00

<u>980,000.00</u>	<u>480,000.00</u>
-------------------	-------------------

H. Braithwaite

7/11

85 71



# GLOBAL ENERGY LIMITED

22, Bakli Mahal, Dimshaw Wacha Road, Mumbai - 400 020. Tel.: 2022206, 202133 Fax: 2047699

## Schedule - 11: NOTES TO ACCOUNTS

### 1. Significant Accounting Policies:

a) These accounts are prepared on historical cost basis and on accounting principle of a going concern.

#### b) Revenue Recognition:

- i. The Company has no income from generation since the commercial operations of the Power Plant have not commenced.
- ii. Other Incomes are accounted on accrual basis.

### 2. Revenue Expenses are accounted on accrual basis.

### 3. Fixed Assets and Depreciation:

- i. Security Deposit equivalent to Rs. 15 cr. Is classified under the head "Fixed Assets" since the deposit is as per the terms of the Right to Use Agreement for a term of 30 years.
- ii. Deficit of Income over Expenditure during the year are classified under the head "Capital Work - in - progress", since the Company has not commenced its commercial operations.
- iii. Depreciation is not charged on Fixed Assets as the Company has not commenced its commercial operations.

### 4. Taxation:

No Provisions for Income Tax are made, since the Company has no taxable income during the year.

*[Handwritten signature]*

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*[Handwritten mark]*

*[Handwritten mark]*

13. Confirmation in respect of certain entities both under Assets and Liabilities are not received and remain unreconciled.

14. The Company has not accounted for assets financed by BSES Ltd. towards completion of balance works with regard to the 5 megawatt bagasse based Power Project at Belgundi, Karnataka, due to lack of account statements and documentary evidence from BSES Ltd. The amount of capital expenditure is not ascertainable. Consequently, the debt to BSES is not accounted, except for Rs. 76,97,000/- which was paid by BSES to Karnataka Power Transmission Corporation Ltd. on our behalf for transmission lines.

15. The Company vide its Board Resolution agreed to issue shares at par to the promoters against the Share Application Money received within 30 days of Commercial Operations of the Power Plant or in December 2002, whichever is earlier; and thereafter allot bonus shares within 60 days of Commercial Operations of the Power Plant or in December 2002, whichever is earlier. However, the Company subsequent, by resolution dated 1<sup>st</sup> January 2003, revoked its earlier decision and therefore the shares have not been issued as yet. The Share Application Money received is shown as advance towards equity.

16. Details of Share Application received in cash from the promoters during the year:

Sr. No.	Name of Promoters	Amount
1	Mr. Harry Dhaul	Rs. 30.00 lacs
2	Mrs. Laxmi Dhaul	Rs. 50.00 lacs

17. Information pursuant to the provisions of Part II of schedule VI of the Companies Act, 1956 is not provided since the Company has not commenced its commercial operations.

Current Year	Previous Year
--------------	---------------

18. Total Amount due to small Scale Industries

Rs. Nil      Rs. Nil

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19. Earnings per share are not arrived at since Company has not commenced its commercial operations.

20. Related Party Disclosures:

(a) Related party & their relationship:

- Mr. Harry Dhaul	Director / Shareholder
- Mrs. Laxmi Dhaul	Director/ Shareholder
- Mr. Karan Dhaul	Director
- Mr. Mikhail Dhaul	Director
- Independent Power Purchases Association of India (IPPAI)	Director of the Company
- Belgundi Cements P. Ltd.	is the Director General of IPPAI
	Shareholder / Associate Company

(b) Material transactions with related parties

	Current Year	Previous Year
- Consultancy Charges received	Rs. 5.00	Rs. Nil
- Re-imbursement of expenses	Rs. 4.80 lacs	Rs. 4.80 lacs
- Directors Remuneration	Rs. 2.40 lacs	Rs. Nil
- Loan received	Rs. 1.44 lacs	Rs. 0.90 lacs
- Share Application Money	Rs. 80lacs	Rs. Nil

(c) Amount due to / from related parties

Amount Payable:

-Current Liabilities  
-Unsecured Loans

Rs. 10.47 lacs	Rs. Nil
Rs. 5.19 lacs	Rs. 6.21 lacs

Amount Receivable:

-Loans & Advances

Rs. 0.32 lacs	Rs. 0.22 lacs
---------------	---------------

21. Figures of Previous Year are regrouped / rearranged wherever found necessary.

For Udayavar Dhanesh Kumar & Associates  
Chartered Accountants

Dhanesh Kumar & Udayavar  
Proprietor  
Place: Mumbai  
Date: 25/08/12

For Global Energy Ltd.

Harry Dhaul

Laxmi Dhaul



# GLOBAL ENERGY LIMITED

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

## I. REGISTRATION DETAILS

Registration Number  
Balance Sheet Date

24/01663  
31-Mar-02

State Code

24

## II. CAPITAL RAISED DURING THE YEAR (Rs. Lacs)

Public Issue  
Bonus

Nil  
Nil

Rights Issue  
Private Placement/ Promoters

Nil  
Nil

## III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. In Lacs)

Total Liabilities

1,862.21

Total Assets

1,862.21

Sources of Fund

Application of Funds

Paid up Capital  
Application money  
Reserves & Surplus  
Secured loans  
Unsecured loans

300.05  
580.00  
900.00  
76.97  
5.19

Net Fixed Assets  
Investments  
Net Current Assets  
Misc. Expenditure  
Accumulated Losses

2,091.65  
0.00  
-232.58  
3.13  
0.00

## IV. PERFORMANCE OF COMPANY (Rs. in Lacs)

Turnover including other Income  
Profit/ (Loss) before Tax  
Earnings per share (Rs.)

9.80  
Nil  
Nil

Total Expenditure  
Profit/ (Loss) After Tax  
Dividend rate (%)

13.81  
Nil  
Nil

## V. GENERIC NAMES OF PRINCIPAL PRODUCT/ SERVICES

Item Code

N.A.

Product Description

Mfg. of Electricity

For Udayavar Dhanesh Kumar & Associates  
Chartered Accountants

For and on behalf of Board

Dhanesh Kumar Udayavar  
Proprietor

Director

Director

Date: 25/08/02  
Place: Mumbai



# GLOBAL ENERGY LIMITED

## NINETH ANNUAL REPORT

### 2002-2003

DEPARTMENT OF COMPANY AFFAIRS  
ROC CASH COUNTER RECEIPT  
OFFICE OF THE REGISTRAR OF COMPANIES

GOA , DAMAin & DIU 27/11/2003  
REC. NO. : 445 21 REG. NO. : 24-001663  
GLOBAL ENERGY LIMITED

TYPE OF DOCUMENT	MODE OF PAYMENT	DATE OF DOCUMENT	AMOUNT RS.
B/S (SH-6)	CASH	31/03/2003	N 500 A 1000

(RAO ) TOTAL 1500

N: NORMAL FEE A: ADDITIONAL FEE  
COMPUTER SUPPORT BY INDUSTRY DIVISION N.I.C.

# GLOBAL ENERGY LIMITED

Chalet Dillon, St. John Vaddo,  
Marra- Pilerne Bardez,  
Goa -403114,  
Tel : 0832-2407065

**Directors** : Shri. Harry Dhaul  
Smt. Laxmi Dhaul  
Shri. Mikhail Dhaul  
Shri. Karan Dhaul

**Bankers** : CITI BANK, MUMBAI  
HDFC – DELHI, GOA.

**Auditors** : Udayavar Dhanesh Kumar & Associates  
Chartered Accountants  
Mumbai

**Registered office** : Chalet Dillon, St. John Vaddo,  
Marra- Pilerne Bardez,  
Goa -403114,  
Tel : 0832-2407065

**Administrative Office** : 22 Rakhi Mahal  
Dinshaw Wachha Road  
Churchgate,  
Mumbai -400020  
  
Tel : 22022206/0827  
  
C – 67 Defence Colony  
New Delhi : 110024  
  
24332405/06

**Power Plant** : Village : Belgundi  
District : Belgaum 591108  
  
Tel: 55240/249/241

*H. Dhaul*



# GLOBAL ENERGY LIMITED

22, Rakhi Mahal, Dinshaw Wacha Road, Mumbai - 400020 Tel: 22022206, 22020827, 56349854/55  
Fax: 22047699 E-mail: globalenergyltd@rediffmail.com

## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the members of GLOBAL ENERGY LIMITED will be held on 24<sup>th</sup> September 2003 at 11.00 am at Chalet Dillon, St. John's Wado, Marra-Pilerne, P.O. Reismagos, GOA -403 001.

### Ordinary Business:

- To receive, consider and adopt the Profit and Loss Account and Balance Sheet of the Company and Reports of the Directors and Auditors thereon, for the financial year ended 31<sup>st</sup> March, 2003.
- To re-appoint M/s. Udayavar Dhanesh Kumar & Associates, Chartered Accountants, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.
- To appoint director in place of Mrs. Laxmi Dhaul, who retires by rotation and being eligible offers herself for re-appointment.

BY ORDER OF THE BOARD  
for GLOBAL ENERGY LIMITED

HARRY DHAUL  
(Director)

Date: 28/08/03

### Notes:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER. THE PROXY FORMS SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.



# GLOBAL ENERGY LIMITED

22, Rakhi Mahal, Dinshaw Wacha Road, Mumbai - 400020 Tel: 22022206, 22020827, 56349854/55  
Fax: 22047699 E-mail: globalenergyltd@rediffmail.com

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Report with the audited accounts of your Company for the year ended 31st March, 2003.

### FINANCIAL PERFORMANCE

The Annual Accounts accompanying this report are self-explanatory and provides the overall picture of the financial operations during the year.

BSES Ltd. has invested money in the Power Plant till July, 2002. However, the same is not accounted for in the books of account due to lack of documentary evidence and supporting bills / invoices from BSES Ltd. In the month of October 2002, BSES Ltd. sent a statement of expenditure incurred in the Power Plant, however the same was not accepted by the Company.

### FIXED DEPOSITS

The Company has not accepted any deposit from public during the year under review.

### DEVELOPMENTS

1. There has been abandoning of the site by BSES Ltd. in July 2002 without completing the project as per the terms of the contract. While the Company is trying to resolve the issues with BSES, the Company is also exploring options for taking appropriate legal action against BSES for breach of contract and is consulting legal advisors in this regard.
2. Your Company has signed an agreement with Government of Goa for Trading in Surplus Power.
3. Your Company is also planning to collaborate with Foreign Companies having expertise in Power Trading as well as running power exchanges. Certain discussions and negotiations have been undertaken by the Company.
4. Your Company is also exploring establishment of new power generation plants by relocating plants from overseas.

### PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

#### AND FOREIGN EXCHANGE EARNINGS:

The company not being a manufacturing company, particulars as to conservation of energy & technology do not form part of this report.

There were no foreign exchange earnings or outgo for the financial year 2002 -2003.

#### PARTICULAR OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956

Statement of particulars of employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975, to do not form part of this report as there are no employees whose income exceeded the prescribed limits for the financial year 2002-2003.

#### DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 as inserted vide Companies Amendment Act, 2000 your Directors report that,

- 1 In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any;
- 2 They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company and the end of the relevant financial period and of the Profit and Loss of the company for that period;
- 3 They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4 They have prepared the annual accounts on a going concern basis.

#### APPOINTMENT OF AUDITORS:

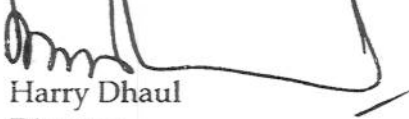
The Statutory Auditors of the Company, M/s. Udayavar Dhanesh Kumar & Associates, Chartered Accountants retire at the ensuing annual general meeting of the company and being eligible hereby offer themselves for reappointment.

#### ACKNOWLEDGEMENT:



The Board of Directors' thank the Company's promoters, customers, bankers and employees for their continued support.

For and on behalf of the Board of Directors,



Harry Dhaul  
Director

Date: 28/08/03.

Place: Mumbai



## AUDITORS REPORT

To,  
The Members of  
Global Energy Limited.

We have audited the attached Balance Sheet of Global Energy Ltd as at 31st March, 2003 and also the annexed Profit and Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. As required by the Manufacturing and Other Companies (Auditors Report) Order 1988, issued by the Central Government and on the basis of such checks as we consider appropriate and as per the information and explanation given to us during the course of the audit, we further report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
  - b) In our opinion, proper books of accounts as required by law have been maintained by the company so far as appears from our examination of those books.
  - c) The Balance Sheet and Profit and Loss account dealt with by this report are in the agreement with the books of Accounts;
2. Further to our comments in the Annexure referred to in Paragraph 1 above:

*H. S. Srinivas*

*[Signature]*

- d) The accounts of the Company confirm to the Accounting Standards pursuant to section 211 (3C) of the Companies Act, 1956.
3. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2003 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2003 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
4. In our opinion and to the best of our information and knowledge and according to the explanation given to us, the accounts read together with the Notes to Accounts in Schedule 11 gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view.
- a) In case of the Balance Sheet Of the State of affairs of the Company as at 31st March, 2003  
and
- b) In the case of Profit and Loss Account, of the loss for the year ended on that date.

For UDAYAVAR DHANESH KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS

  
Dhanesh Kumar Udayavar  
Proprietor

Place : Mumbai  
Date : 28/03





**ANNEXURE TO THE AUDITORS REPORT**

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

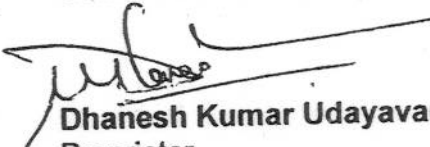
- 1) The fixed assets register remains to be finalized for want of proper documentary evidence and supporting bills/ invoices, even though the statement of expenditure incurred by BSES Ltd. was received by the Company, but not accepted by the Company. Therefore, the same is not accounted in the books of accounts. (Refer Clause 15 of Notes to Accounts) and. As explained to us, the Management has physically verified all the fixed assets during the year. ***We are unable to comment whether any material discrepancies were noticed on such verification and whether the same have been properly dealt with in the books of accounts.***
- 2) None of the Fixed Assets of the Company have been revalued during the year.
- 3) In respect of its Power Project, since the Company has not commenced commercial operations till 31st March, 2003 sub paragraphs (iii), (iv), (v), (vi), (xi), (xvi) of paragraph 4(A) of the Order, are not applicable.
- 4) The Company has taken interest free loans from parties listed (being a shareholder) in the registers maintained under section 301 of the Companies Act, 1956 and the terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
- 5) The Company has given interest free advances in the nature of loans to a Company, listed in the register maintained under section 301 of the Companies Act 1956. In our opinion, the same is not prejudicial to the interest of the Company.
- 6) The Company has not granted interest free loans, to its employees and other parties.
- 7) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of Plant and Machinery, Equipment and other assets.

*H. G. Gaurav*

*[Signature]*

- 8) According to the information and explanation given to us, the company has not accepted deposits from public within the meaning of section 58A of the Companies Act, 1956. and rules framed thereunder.
- 9) According to the information and explanation given to us, the company has no by-products and there were no sale of scraps during the year.
- 10) The Company has adequate internal audit system commensurate with size of the Company. The Company is in process of appointing an independent Internal Auditor.
- 11) We are informed that the provisions of Employees Provident Fund Act, 1952. and Employees State Insurance Scheme are not applicable to the company.
- 12) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom duty and Excise duty as at the last day of financial year which are outstanding for a period of more than six months from the date they become payable.
- 13) According to the information and explanation given to us, no personal expenses of employees and Directors have been charged to revenue accounts, other than those payable under contractual obligation or in accordance with generally accepted business practices.
- 14) The Company not being an industrial undertaking, the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the company.

For **UDAYAVAR DHANESH KUMAR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

  
**Dhaneesh Kumar Udayavar**  
Proprietor

Place : Mumbai

Date : 28/1/03



# GLOBAL ENERGY LIMITED

## BALANCE SHEET as at 31st. March, 2003

	Schedule	As at 31st. March, 2003	As at 31st. March, 2002
<b>I SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS FUNDS</b>			
a) Share Capital	1	48,005,010.00	30,005,010.00
b) Reserves & Surplus	2	90,000,000.00	90,000,000.00
c) Share Application Money		53,000,000.00	58,000,000.00
<b>LOAN FUNDS</b>			
a) Secured Loans	3	7,697,000.00	7,697,000.00
b) Unsecured Loans	4	484,664.45	518,750.00
<b>TOTAL</b>		<b>199,186,674.45</b>	<b>186,220,760.00</b>
<b>II APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	5	225,834,458.60	209,165,134.00
<b>INVESTMENTS</b>		-	-
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) Cash & Bank Balances	6	306,079.64	319,420.99
b) Loans & Advances	7	623,707.07	7,851,993.00
		929,786.71	8,171,413.99
<b>Less: CURRENT LIABILITIES</b>	8	30,292,918.49	31,429,037.99
<b>NET CURRENT LIABILITIES</b>		(29,363,131.78)	(23,257,624.00)
<b>MISCELLANEOUS EXPENDITURE</b>	9	2,715,347.63	313,250.00
<b>TOTAL</b>		<b>199,186,674.45</b>	<b>186,220,760.00</b>
Notes to Accounts	11		

As per our Report of even date

For UDAYAVAR DHANESH KUMAR & ASSOCIATES  
Chartered Accountants

  
Dhanesh Kumar Udayavar  
Proprietor

Place: *Mumbai*  
Date: 28/08/03



For and on behalf of Board of Directors

  
Harry Dhaul

  
Laxmi Dhaul

# GLOBAL ENERGY LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st. March, 2003

	Schedule	As at 31st. March, 2003	As at 31st. March, 2002
<b>I INCOME</b>			
Income from Generation		-	-
Other Income	10	507,785.26	980,000.00
<b>TOTAL</b>		<b>507,785.26</b>	<b>980,000.00</b>
<b>II EXPENDITURE</b>			
Advertisement & Sponsorship Expenses		-	196,628.00
Bank Charges		26,363.09	6,792.00
Electricity Charges		57,341.00	24,340.00
Commission paid		-	25,000.00
Office Rent		216,000.00	216,000.00
Audit Fees		19,950.00	19,950.00
Salary		16,643.00	-
Conveyance		-	6,266.00
Professional Fees		325,830.00	-
Repairs & Maintenance		68,479.00	-
Telephone Expenses		208,981.00	869,927.00
Courier Charges		887.00	-
Travelling Expenses		102,534.00	-
Printing & Stationery		40,619.00	6,202.00
Miscellaneous Expenses		4,041.00	9,800.00
<b>TOTAL</b>		<b>1,087,668.09</b>	<b>1,380,905.00</b>
<b>Profit / (Loss) for the year transferred to Work in Progress Account</b>		<b>(579,882.83)</b>	<b>(400,905.00)</b>

Notes to Accounts

11


As per our Report of even date

**For UDAYAVAR DHANESH KUMAR & ASSOCIATES**  
Chartered Accountants

  
Dhanesh Kumar Udayavar  
Proprietor

Place: Mumbai  
Date: 28/3/03

**For and on behalf of Board of Directors**

  
Harry Dhaul

  
Laxmi Dhaul



# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET

As at 31 st. March, 2003

As at 31st. March, 2002

### Schedule 1: SHARE CAPITAL

#### Authorised Capital

50,00,000 Equity Shares of Rs. 10/- each.

50,000,000.00

50,000,000.00

#### Issued, Subscribed & Paid up Capital

48,00,501 Equity Shares of Rs. 10/- each.

(Previous Year : 30,00,501 Equity Shares)

48,005,010.00

30,005,010.00

48,005,010.00

30,005,010.00

### Schedule 2: RESERVES & SURPLUS

#### Share Premium

90,000,000.00

90,000,000.00

90,000,000.00

90,000,000.00

### Schedule 3: SECURED LOANS

#### BSES Ltd.

(against any immovable property of the Company or any of its promoters or a third party)

7,697,000.00

7,697,000.00

7,697,000.00

7,697,000.00

### Schedule 4: UNSECURED LOANS

#### From Directors - Laxmi Dhaul

484,664.45

518,750.00

484,664.45

518,750.00

### Schedule 5: FIXED ASSETS

#### Lease Hold Land

1,000,000.00

1,000,000.00

#### Power Plant (Refer clause 3 of Notes to Accounts)

150,000,000.00

150,000,000.00

#### Office Equipment

55,301.00

40,000.00

#### Computers

119,000.00

#### Total - A

151,174,301.00

151,040,000.00

#### Capital Work in Progress

#### Opening Balance at the beginning of the year

58,125,134.00

49,413,583.00

#### Add: Additions during the year

115,955,140.77

8,310,646.00

#### Total Additions

115,955,140.77

8,310,646.00

#### Add: Amount of unabsorbed Revenue Expenditure

579,882.83

400,905.00

#### Total B

74,660,157.60

58,125,134.00

#### Total Fixed Assets (A + B)

225,834,458.60

209,165,134.00

# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET

As at 31st. March, 2003

As at 31st. March, 2002

### Schedule 6: CASH & BANK BALANCE

Cash in Hand	298,814.00	299,807.00
Balances with Scheduled Banks in Current Account	7,265.64	19,613.99
	<u>306,079.64</u>	<u>319,420.99</u>

### Schedule 7: LOANS & ADVANCES

(Unsecured and considered good)

Advances recoverable in cash or kind for the value to be received

623,707.07 7,851,993.00

623,707.07 7,851,993.00

### Schedule 8: CURRENT LIABILITIES

Sundry Creditors for Expenses	513,718.49	1,389,037.99
Other Liabilities	29,779,200.00	30,040,000.00
	<u>30,292,918.49</u>	<u>31,429,037.99</u>

### Schedule 9: MISCELLANEOUS EXPENDITURE

(to the extent not written off)

Preliminary Expenses	190,750.00	190,750.00
Share Issue Expenses	122,500.00	122,500.00
Deferred Revenue Expenditure	2,402,097.63	

2,715,347.63 313,250.00

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

### Schedule 10: OTHER INCOME

Consultancy Charges received	-	500,000.00
Reimbursement of expenses	480,000.00	480,000.00
Interest Income	27,785.26	-
	<u>507,785.26</u>	<u>980,000.00</u>

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# GLOBAL ENERGY LIMITED

22, Rakhi Mahal, Dinshaw Wacha Road, Mumbai - 400020 Tel: 22022206, 22020827, 56349854/55  
Fax: 22047699 E-mail: globalenergyltd@rediffmail.com

## Schedule – 11: NOTES TO ACCOUNTS

### 1. Significant Accounting Policies:

a) These accounts are prepared on historical cost basis and on accounting principle of a going concern.

#### b) Revenue Recognition:

- i. The Company has no income from generation since the commercial operations of the Power Plant have not commenced.
- ii. Other Incomes are accounted on accrual basis.

2. Revenue Expenses are accounted on accrual basis.

### 3. Fixed Assets and Depreciation:

- i. During the year the Company has acquired that part of Power Plant owned by Belgundi Cements Pvt. Ltd. (BCPL), which had been transferred to the Company on right to use basis. The said Assets are valued at Rs. 15 Cr. (i.e. at the value of Security Deposit). The consideration for this acquisition was paid by converting the Security Deposits of Rs 12 Cr (deposited in the form of 3,00,000 Equity Shares of Rs. 10/- each issued at a premium of Rs. 30/- per share, in 1994), into purchase price. The balance consideration of Rs 3 Cr. is payable and is shown as a current liability to BCPL.
- ii. Deficit of Income over Expenditure during the year are classified under the head "Capital Work – in – progress", since the Company has not commenced its commercial operations.
- iii. Depreciation is not charged on Fixed Assets as the Company has not commenced its commercial operations.

#### 4. Taxation:

- a) No Provisions for Income Tax are made, since the Company has no taxable income during the year.
- b) Deferred tax liability is recognized on timing difference being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

#### 5. Miscellaneous Expenditure:

Preliminary Expenses and Share Issue Expenses are to be amortised over a period of 5 years from the year of commencement of Commercial operations.

#### 6. Deferred Revenue Expenditure:

During the year, the Company has incurred expenditure towards foreign travel for collaborating with foreign companies having expertise in Power Trading as well as running Power Exchanges, and exploring establishment of new power generation plants by relocating plants from overseas.

These expenses are to be written off over a period of 3 years.

7. Estimated amount of contracts remaining to be executed in Capital Account Nil

8. Contingent Liabilities not provided in respect of :

		Current Year	Previous Year
(a)	Corporate Guarantee given to Central Bank of India, on behalf of Belgundi Cements Pvt. Ltd.	Rs. Nil	Rs. Nil
(b)	Claim against the company not acknowledge as debt	Rs. Nil	Rs. Nil
(c)	Bills discounted	Rs. Nil	Rs. Nil

*B. S. Sainani*

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9. Payment to Auditors:

- Audit Fees

Rs. 19,950/- Rs. 19,950/-

10. Expenditure in Foreign Currency

Rs. 18.57 lacs Rs. Nil

11. CIF Value of Imports

a) Components, Stores, fuel &  
Spare parts

Rs. Nil Rs. Nil

b) Capital goods

Rs. Nil Rs. Nil

12. Earnings in Foreign Currency

Rs. Nil Rs. Nil

13. Value of Stores, Spares parts & fuel consumed

a) Imported

Rs. Nil Rs. Nil

b) Indigenous

Rs. Nil Rs. Nil

14. Confirmation in respect of certain entities both under Assets and Liabilities are not received and remain unreconciled.

15. The Company has not accounted for assets financed by BSES Ltd. towards completion of balance works with regard to the 5 megawatt bagaasse based Power Project at Belgundi, Karnataka, though statement of expenditure was received from BSES. The said statement of expenditure was not accepted by the Company due to lack of documentary evidence and supporting bills / invoices. The amount of capital expenditure is not ascertainable. Consequently, the debt to BSES is not accounted, except for Rs. 76,97,000/- which was paid by BSES to Karnataka Power Transmission Corporation Ltd. on our behalf for transmission lines.

16. The Company has issued 18,00,000 equity shares of Rs. 10/- each at par to the promoters of the Company against the share application money and pending allotment.

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17. Details of Share Application received in cash from the promoters during the year:

Sr. No.	Name of Promoters	Amount
1	Mr. Harry Dhaul	Rs. 50.00 lacs
2	Mrs. Laxmi Dhaul	Rs. 80.00 lacs

18. Information pursuant to the provisions of Part II of schedule VI of the Companies Act, 1956 is not provided since the Company has not commenced its commercial operations.

Current Year	Previous Year
--------------	---------------

19. Total Amount due to small Scale Industries      Rs. Nil      Rs. Nil

## 20. Related Party Disclosures:

### (a) Related party & their relationship:

- Mr. Harry Dhaul	Director / Shareholder
- Mrs. Laxmi Dhaul	Director/ Shareholder
- Mr. Karan Dhaul	Director
- Mr. Mikhail Dhaul	Director
- Independent Power Purchases Association of India (IPPAI)	Director of the Company
- Belgundi Cements P. Ltd.	is the Director General of IPPAI
	Shareholder / Associate Company

### (b) Material transactions with related parties

	Current Year	Previous Year
- Consultancy Charges received	Rs. Nil	Rs. 5.00 lacs
- Re-imbursement of expenses	Rs. 4.80 lacs	Rs. 4.80 lacs
- Directors Remuneration	Rs. Nil	Rs. Nil
- Loan received	Rs. 1.44 lacs	Rs. 1.44 lacs
- Share Application Money	Rs. 130 lacs	Rs. 80 lacs
- Amount advanced	Rs. 3.91 lacs	Rs. Nil

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(c) Amount due to / from related parties

Amount Payable:

-Current Liabilities  
-Unsecured Loans

Rs. 10.47 lacs    Rs. 10.47 lacs  
Rs. 4.85 lacs    Rs. 5.19 lacs

Amount receivable:

- Loans & Advances

Rs. 3.91 lacs    Rs. 0.32 lacs

21. Earnings per share are not arrived at since Company has not commenced its commercial operations.

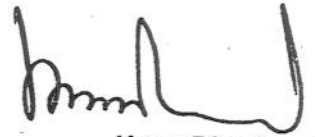
22. Figures of Previous Year are regrouped / rearranged wherever found necessary.


For Udayavar Dhanesh Kumar & Associates  
Chartered Accountants

  
Dhanesh Kumar & Udayavar  
Proprietor

Place: Mumbai  
Date: 28/03/20

For Global Energy Ltd.

  
Harry Dhaul

  
Laxmi Dhaul



# GLOBAL ENERGY LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

## I. REGISTRATION DETAILS

Registration Number	24/01663	State Code	24
Balance Sheet Date	31-Mar-03		

## II CAPITAL RAISED DURING THE YEAR (Rs. Lacs)

Public Issue	Nil	Rights Issue	Nil
Bonus	Nil	Private Placement/ Promoters	180

## III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. In Lacs)

Total Liabilities	1,991.87	Total Assets	1,991.87
<i>Sources of Fund</i>		<i>Application of Funds</i>	
Paid up Capital	480.05	Net Fixed Assets	2,258.34
Application money	530.00	Investments	0.00
Reserves & Surplus	900.00	Net Current Assets	-293.63
Secured loans	76.97	Misc. Expenditure	27.15
Unsecured loans	4.85	Accumulated Losses	0.00

## IV PERFORMANCE OF COMPANY (Rs. in Lacs)

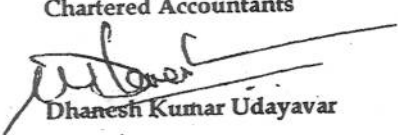
Turnover inclding other Income	5.08	Total Expenditure	10.88
Profit/ (Loss) before Tax	Nil	Profit/ (Loss) After Tax	Nil
Earnings per share (Rs.)	Nil	Dividend rate (%)	Nil

## V GENERIC NAMES OF PRINCIPAL PRODUCT / SERVICES


Item Code N.A.

Product Description Mfg. of Electricity

For Udayavar Dhanesh Kumar & Associates  
Chartered Accountants

  
Dhanesh Kumar Udayavar  
Propreitor

Date: 28/8/03  
Place: Mumbai



For and on behalf of Board

  
Director

  
Director

GLOBAL ENERGY LIMITED

TENTH ANNUAL REPORT

2003-2004

*H. S. Prasad*

*H. S. Prasad*  
46.



# GLOBAL ENERGY LIMITED

Chalet Dillon, St. John Vaddo  
Marra-Pillerne Bardez  
Goa-403114  
Tel: 0832 2407065

## Directors

: Shri. Harry Dhaul  
Smt. Laxmi Dhaul  
Shri. Mikhall Dhaul  
Shri. Karan Dhaul

## Bankers

: ICICI Bank, New Delhi  
ICICI Bank, Mumbai  
ICICI Bank, Goa  
ICICI Bank, Trivandrum  
CITI Bank, Mumbai  
HDFC Bank, Delhi, Goa

## Auditors

: Udayavar Dhanesh Kumar &  
Associates  
Chartered Accountants  
Mumbai

## Registered Office

: Chalet Dillon, St. John Vaddo  
Marra-Pillerne Bardez  
Goa- 403114  
Tel: 0832- 2407065

## Administrative Office

: 22, Rakhi Mahal  
Dinshaw Wachha Road  
Churchgate  
Mumbai 400020  
Tel: 022 22022206

: D-25/B, NDSE Part-II,  
New Delhi 110 049  
Tel: 011 51551295

: 3081, Nandanam, 6<sup>th</sup> Main, 2<sup>nd</sup>  
Stage, Bangalore -8,  
Tel: 080 5125 4958

## Power Plant

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um 591108  
101.249



# GLOBAL ENERGY LIMITED

D-25/B, NPSI Part - II, New Delhi - 110 049 India Tel: +91-11-5155 1294 / 95  
Fax: +91-11-5163 4352 E-mail: info@globalenergylimited.com

## NOTICE

Shorter Notice is hereby given that the Annual General Meeting of the members of Global Energy Limited will be held on Monday, the 16<sup>th</sup> August, 2004 at 11.00 a.m. at the Registered Office at Challet Dillon, St. John's Waddo, Marra-Pileme Bardez, Goa to transact the following business:

### Ordinary Business

1. To receive, consider, adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2004 and the reports of Director's and Auditor's thereon.
2. To appoint a Director in place of Shri Harry Dhau who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and for that purpose to pass with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED THAT M/s Udayavar Dhanesh Kumar & Associates, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said year."

### SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 269 and other applicable provision of the Companies Act, 1956, approval of the Company be and is hereby given for appointment of Mr. Harry Dhau as Managing Director of the Company on the terms and conditions approved by the Board in its meeting held on 14.08.2004 for a period of five years with effect from 14.08.2004.

Regd. Office : Challet Dillon, St. John's Waddo, Marra-Pileme Bardez, Goa - 550015 Tel: 0832-240 7065  
Mumbai : 22, Ravi Mahal, Dr. S. N. T. Road, Colaba, Mumbai - 400005 Tel: +91-22-2202 2206, 2202 0827, 5634 9855 Fax: +91-22-2204 7699  
Bangalore : 3051, Kandanam, Ch. V. Road, Bangalore - 560002 Tel: +91-80-5125 4958 Fax: +91-80-5125 4959

*[Signature]*

*[Signature]*  
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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE  
COMPANIES ACT, 1956

ITEM NO. 4

Mr. Harry Dhaul retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. Mr. Harry Dhaul has over 25 years of experience in the power sector. He has held various positions on Government Committees, as a consultant/advisor to the Ministry of Power, CEA, SEB and various regulatory bodies etc. Mr. Harry Dhaul is with Global Energy Ltd. since its incorporation and having regard to the services rendered to the Company by him, the Board of Directors of the Company at their meeting held on 14.08.2004 decided to re-appoint Mr. Harry Dhaul as Managing Director of the Company for a period of five years subject to the approval of the members.

All the Directors are interested in the aforesaid resolution.

ITEM NO. 5

The Board of Directors are of the opinion that in order to increase the operational efficiency, the registered office of the Company be shifted from Chalet Dillon, St. John Vaddo, Marra-Pilerme Bardez, Goa - 403114 to C-301, House of Lords, Opp. Marriot Hotel, Miramar, Panaji, Goa - 4013001.

None of the Directors are interested in the said resolution.

*B. Ramani*



# GLOBAL ENERGY LIMITED

11-25/11, NOSE Park-II, New Delhi-110 049 India Tel: +91-11-5155 1294 / 95  
Fax: +91-11-5163 4352 E-mail: info@global-energy-limited.com

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their report with the audited accounts of your company for the year ended 31<sup>st</sup> March, 2004.

### **FINANCIAL PERFORMANCE**

The Annual Accounts accompanying this report are self explanatory and provides the overall picture of the financial operations during the year.

### **DEVELOPMENTS**

#### **A. POWER GENERATION**

Your Company is setting up a renewable fuel based power project of gross operating capacity of 25 MW, of which the first phase of 5MW is already commissioned. The project site is located at Village Belgundi near the city of Belgaum in Karnataka. Karnataka, like many other States, has been a power deficient state, estimated to have a shortfall of over 3000 MW. This prevalent crisis was the driving force behind the present quest of the promoters who have been constantly addressing the issue of inadequacy of power supply in rural India. This endeavor, at the grassroots level, empowers the rural farmer by buying his agro-waste, while guaranteeing him quality power.

GEL is the first company in India to have signed a Memorandum of Understanding with a gram panchayat to supply power. GEL has entered into a 30 year power purchase agreement with the KPTCL. As per the agreement, the company's capacity for a minimum of 4000 hours is committed to KPTCL. The balance power is to be supplied to nearby villages and rural industries. This was the first project of its kind in the country to be built on the IPP concept with agro-waste as the primary fuel and having a PPA with KPTCL under the then newly liberalized power policy. This plant has been designed to accept over 17 different types of agro fuels ensuring a relative stability of fuel price.

The trial production of the 5 MW Power Plant was successfully carried out on 28<sup>th</sup> October, 2003. The company has not accounted for income receivable from KPTCL since the matter is Sub-Judice

#### **B. POWER TRADING**

GEL and its group companies are frontrunners in implementing the concept of energy trading using the "Wheeling & Banking" Scheme of the Government of Karnataka in 1986. Over the past several years, the company has purchased power from industrial undertakings with surplus power (captive and co-generation) and marketed it to other industries which have additional power requirements.

Global Energy Ltd. is now very active in the area of power trading and is in contact with a number of utilities in the country for sale and purchase of power on infirm and firm basis. It is trying to create a dynamic market for power by way of arbitrage of the supply-

Regd. Office : Chalei Dillon, St. John Vaddo, Marra-Pileme Bardez, Goa - 403114 Tel: +832-240 7055  
Mumbai : 22, Rajni Mahal, Dinkar Wacha Road, Mumbai - 400020 Tel: +91-22-2202 2226, 2202 0827, 5634 5855 Fax: +91-22-2202 2227  
Bangalore : 3061, Nandam, 6 Tel: +91-80-5125 4958 Fax: +91-80-5125 4959

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demand mismatch in different regions and states of the country. It is also developing various mechanisms including financial and physical products for energy trading.

GEL is the first Independent power trading company in India to actually enter into an arrangement to trade/schedule power in 1994. After the notification of the Electricity Act 2003, Global Energy entered into transactions to supply power to the State of Delhi from the southern region, creating a record of trading power across three different regions.

Having already traded in excess of over 160.91 million units of power in the country, GEL's past and present trading activities extend across all the five electricity regions in India. GEL is also the first trader to schedule power from a private producer (TATA Power) to customers in other regions. GEL also holds the distinction of having scheduled power through all the five electricity regions in a single transaction (Tripura to Haryana). Some of our important customers are, Haryana Vidyut Prasaran Nigam Ltd, Tripura Power Department, Goa Electricity Department, Delhi Transco Ltd, Kerala State Electricity Board, Tata Power Company etc.

#### INVESTMENT

During the year your Company promoted India's first online spot electricity exchange India Electron Exchange Limited offering real time scheduling and settlement services by investing a sum of Rs. 1.30 crores. The exchange is also supported by State Governments, with a technology platform provided by Triple Point Technologies inc. USA and settlement services by India's leading Banks.

#### DIRECTORS

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the Company, Mr. Harry Dhaul shall retire at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

#### AUDITORS

Your Company's statutory Auditors, M/s Udayavar Dhanesh & Associates, Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if reappointed.

The Notes on Accounts appearing in Schedule 17 and referred to in the Auditors' Report are self-explanatory, and therefore do not call for any further comments or explanations.

#### INTERNAL AUDITORS

During the year M/s. Budh Raja Adlakha and Co. were appointed as internal auditors to carry out the internal audit of the Company.

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## AUDIT COMMITTEE

The Audit Committee is a sub-committee of the board whose responsibilities include:

- Reviewing the interim and full year accounts and results announcements of the company and any other formal announcements relating to the company's financial performance and recommending them to the board for approval;
- Reviewing the group's systems for internal financial control and risk management;
- Monitoring and reviewing the effectiveness of the company's internal audit function and considering regular reports from Internal Audit on internal financial controls and risk management;
- Considering the appointment of the external auditors; overseeing the process for their selection; and making recommendations to the board in relation to their appointment (to be put to shareholders for approval at a general meeting);
- Monitoring and reviewing the effectiveness and independence of the external auditors, agreeing the nature and scope of their audit, their remuneration, and considering their reports on the company's accounts and systems of internal financial control and risk management.

### Composition of the Audit Committee:

The Chairman of the Audit Committee is Mr. Mikhail Dhaul. The Other members of the Audit Committee are Mrs. Laxmi Dhaul and Mr. Karan Dhaul

The Audit Committee met four times during the financial year ended 31st March, 2004.

## FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year under report.

## DIVIDEND

Your directors do not recommend any dividend for the year ended 31st March, 2004.

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

The particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, relating to the conservation of energy and technology absorption are given hereunder:

1. Conservation of Energy : Not Applicable
2. Technology absorption : Not Applicable

*H. Dhaul*



3. Total Foreign Exchange Earnings and Outgo
- Total foreign exchange earning: Nil
  - Total foreign exchange outgo: Rs. 14,39,871/-

#### PARTICULARS OF EMPLOYEES

Particulars of employees as required U/s 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended to date, are not applicable to the Company as there was no employee in receipt of the prescribed remuneration.

#### DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors believe that the financial statements for the period ended 31st March, 2004, are in full conformity with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India, and the same have been prepared on a going concern basis.

The directors of Global Energy Limited accept the responsibility for the integrity and objectivity of these financial statements, as reflected through the consistent application of the Accounting Policies to the best of their knowledge.

The directors believe to the best of their knowledge that the financial statements reflect fairly the form and substance of the transactions concluded and reasonably present the Company's financial condition and true and fair view of the results of the preliminary operations for the year and the state of affairs of the business as at 31st March, 2004.

To the best of our knowledge, the Statutory Auditors have conducted comprehensive audits to provide reasonable assurance that the established policies and the procedures of the Company have been followed for safeguarding the assets.

The financial statements have been audited by M/s. Udayavar Dhanesh & Associates, Chartered Accountants, the Statutory Auditors of the Company.

#### ACKNOWLEDGMENT

Your directors also wish to place on record their gratitude for the valuable assistance and cooperation extended to the Company by its employees, strategic partners, and bankers for their continued support.

For & on behalf of the Board

Harry Dhaut  
Chairman

Place : New Delhi  
Dated : August 14, 2004

## AUDIT REPORT

TO,

THE MEMBERS OF

GLOBAL ENERGY LIMITED

- 1) We have audited the attached Balance Sheet of Global Energy Ltd. as at 31st March, 2004 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- 4) Further to our comments in the Annexure referred to above, we report that:-
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books.
  - iii. The Balance Sheet, Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;



*H. Dhanesh Kumar*

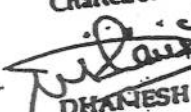
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UDAYAVAR DHANESH KUMAR UDAYAVAR  
B.Com, F.C.A.

UDAYAVAR DHANESH KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
52 ABC Telwala Chawl, G.D. Ambekar Marg, Opp. Spring Mall  
Chawl No.5, Nalgaum, Dadar (East), Mumbai - 400 014.  
☎ : 2417 3712 • E-mail: udayanesh@hotmail.com

- v. On the basis of the written representations received from the directors, as on 31<sup>st</sup> March 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2004 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting policies and notes appearing thereon as contained in Schedule 20 and subject to Note no. 9 regarding understatement of Profit by Rs. 290.28 Lacs and overstatement of liability by the same amount, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a. In the case of the Balance Sheet, of the State of affairs of the Company as at 31<sup>st</sup> March 2004;
  - b. In the case of the Profit and Loss Account, of the profit for the year ended on that date.

For UDAYAVAR DHANESH KUMAR & ASSOCIATES  
Chartered Accountants

  
UDAYAVAR DHANESH KUMAR UDAYAVAR  
Proprietor



Place: New Delhi  
Date: 14<sup>th</sup> August 2004



UDAYAVAR DHANESH KUMAR & ASSOCIATE  
B.Com, F.C.A.

UDAYAVAR DHANESH KUMAR & ASSOCIATE  
CHARTERED ACCOUNTANTS  
52 ABC Telwala Chawl, G.O. Ambekar Marg, Opp. Spring Mill  
Chawl No.5, Nalgaum, Dadar (East), Mumbai - 400 044.  
☎ : 2417 3712 • E-mail: udayanesh@hotmail.com

ANNEXURE TO THE AUDITORS REPORT  
(Referred to in Paragraph 3 of our Report of even date)

1. The Company has maintained proper records to show full particulars, including quantitative details and situation of the fixed assets.
2. All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
3. As explained to us, the company has not disposed off a major or any part of plant and machinery during the year.
4. As explained to us, the inventory has been physically verified by the management. According to the information and explanations given to us, we are of the opinion, the frequency of the verification is reasonable.
5. In our opinion, the procedure of the physical verification of the inventories followed by the company are reasonable and adequate in relation to the size of the company and the nature of its business.
6. The company is maintaining proper records of inventory. No discrepancies are noticed on verification between the physical stocks and the book records.
7. The Company has not taken or given any secured or unsecured loans from any companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii)(a), (iii)(b) & (iii)(c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
8. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct weakness in internal controls.
9. Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.



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DHANESH KUMAR UDAYAVAR  
B.Com, F.C.A.

UDAYAVAR DHANESH KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
52 ABC Telwala Chawl, G.Q. Ambekar Marg, Opp. Spring Mill  
Chawl No.5, Nalgaum, Dadar (East), Mumbai - 400 014.  
☎ : 2417 3712 • E-mail: udha.nesh@hotmail.com

10. In our opinion and according to the information and explanations given to us, the transactions made pursuant of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs only in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
11. The company has not accepted deposits from public under section 58.A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
12. In our opinion, the company has an adequate system of internal audit commensurate with size and nature of its business.
13. The Company has not maintained any Books of Accounts pursuant to the rules made by the Central Government for the maintenance of Cost Records under section 209(1) (d) of the Companies Act, 1956 as the same are not prescribed for the trading activity and for the generation activity the company has not maintained the same.
14. According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Protection Fund, Education Protection Fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess.
15. According to the information and explanation given to us, there are no undisputed amount payable in respect of Income tax, Wealth Tax, Custom Duty and Excise Duty, Cess which were outstanding as at 31<sup>st</sup> March 2004 for a period of more than six months, from the date they became payable.
16. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
17. The Company has taken any loans from banks and there are no default on account of repayment of principal and interest.
18. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
19. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



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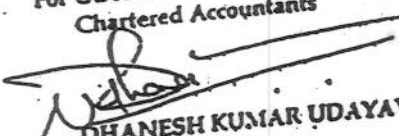


UDAYAVAR DHANESH KUMAR & ASSOCIATES  
Chartered Accountants  
H. Com, F.C.A.

UDAYAVAR DHANESH KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
52 ABC Tolwala Chawl, G.D. Ambekar Marg, Opp. Spring Mall  
Chawl No. 5, Nalgaum, Dadar (East), MUM. 400 014.  
☎ : 2417 3712 • E-mail: udayanesh@hotmail.co.in

20. The company is not dealing in or trading in shares, securities, debentures and other investments: Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
21. The Company has not given guarantees for the loans taken by others, from banks or financial institutions, the terms and conditions of which are not prejudicial to the interest of the Company.
22. The company has not availed any term loans from banks. Accordingly, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
23. According to the information and explanations given to us and on overall examination of the balance sheet of the company as at 31<sup>st</sup> March, 2004, we report that the company had long term sources of funds including internal accruals amounting to Rs. 2870.54 lacs against which long term application of funds is Rs. 3022.28 and the Short term funds available are Rs. 151.74 lacs. Thus during the accounting year covered by our report the company has utilized Rs. 151.74 lacs of short term funds towards long term applications.
24. The company has made preferential allotment of shares at par to parties covered in the register maintained under section 301 of the Act, against their share application money lying to their credit and the allotment is not prejudicial to the interest of the Company.
25. During the period covered by the audit report, the company has not issued any debentures during the year.
26. The company has not raised any money by way of public issue.
27. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For UDAYAVAR DHANESH KUMAR & ASSOCIATES  
Chartered Accountants

  
DHANESH KUMAR UDAYAVAR  
Proprietor



Place: New Delhi  
Date: 14<sup>th</sup> August 2004

# GLOBAL ENERGY LIMITED

## Balance Sheet As At 31st. March 2004

### 1 SOURCES OF FUNDS

#### SHARE HOLDERS FUNDS

- a) Share Capital
- b) Reserves & Surplus
- c) Share Application Money

#### LOAN FUNDS

- a) Secured Loans
- b) Unsecured Loans

#### DEFERED TAX LIABILITY

#### TOTAL

### APPLICATION OF FUNDS

#### FIXED ASSETS

- Gross Block
- Less: Depreciation
- Net Block

#### INVESTMENTS

#### Capital Work In Progress

#### CURRENT ASSETS, LOANS & ADVANCES

- a) Cash & Bank Balances
- b) Sundry Debtors
- c) Inventories
- e) Loans & Advances

#### Less: CURRENT LIABILITIES & PROVISIONS

#### NET CURRENT ASSETS

#### MISCELLANEOUS EXPENDITURE

#### TOTAL

Significant Accounting Policies & Notes to Accounts

For Udayavar Dhanesh Kumar & Associates

Dhanesh Kumar Udayavar  
Proprietor

Place: Delhi

Date: 14th. August 2004



Schedule No.	As at 31st. March, 2004	As at 31st. March, 2013
--------------	-------------------------	-------------------------

1	70,005,000.00	48,005,010.00
2	95,137,784.02	90,000,000.00
	108,110,600.00	53,000,000.00
3	11,323,739.67	7,697,000.00
4		484,664.45
	2,478,609.00	
	<u>287,055,742.69</u>	<u>199,186,674.45</u>
5	320,811,191.27	151,174,701.11
	18,833,314.00	
	<u>301,977,877.27</u>	<u>151,174,301.00</u>
6		74,660,157.60
7	16,787,744.44	306,079.64
8	25,414,196.06	
	360,837.91	
9	<u>17,271,033.27</u>	<u>623,707.07</u>
	59,833,818.68	479,716.71
10	<u>75,006,545.26</u>	<u>30,292,918.49</u>
	(15,172,734.58)	(29,363,131.78)
11	250,118.11	2,715,417.63
	<u>287,055,742.69</u>	<u>199,186,674.45</u>

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For and on behalf of Board of Directors

Harry Dhaval

Laxmi Dhaval

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# GLOBAL ENERGY LIMITED

Profit & Loss Account for the year ended 31st. March, 2004

Schedule No.	As at 31st. March, 2004	As at 31st. March, 2003
--------------	-------------------------	-------------------------

## INCOME

Income from Operations  
Sale of Electricity  
Other Income

TOTAL

12	53,457,834.73	
	30,000.00	507,785.36
13	2,065,268.07	
	<u>55,543,102.80</u>	<u>507,785.36</u>

## EXPENDITURE

Power Plant Purchases  
Power Plant Direct Expenses  
Personnel Expenses  
Operating Expenses  
Selling & Administration Charges  
Interest & Financial Charges  
Auditors Remuneration  
Depreciation  
Deferred Revenue Expenditure w/off  
Preliminary Expenses W/off

TOTAL

14	351,671.82	
15	1,495,517.74	16,643.00
16	1,977,103.35	592,152.00
17	5,402,213.53	432,560.00
18	16,717,123.09	26,363.09
19	157,018.82	19,950.00
	75,000.00	
	18,833,314.00	
	2,402,097.63	
	62,650.00	
	<u>47,476,709.78</u>	<u>1,087,668.09</u>
		(579,882.83)

Profit / (loss) for the year transferred to Capital Work in progress Account

Profit: Before Tax  
Less: Provision for Tax  
Profit: after Tax  
Less: Deferred Tax Expense

8,066,393.02	
450,000.00	
<u>7,616,393.02</u>	
2,478,609.00	
<u>5,137,784.02</u>	
5,137,784.02	

Balance carried over to Balance Sheet

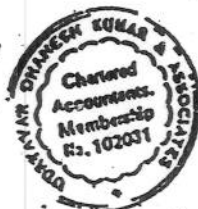
Significant Accounting Policies & Notes to Accounts

For Udayavar Dhanesh Kumar & Associates

Udayavar Dhanesh Kumar Udayavar  
Proprietor

Place Delhi

Date 14th August 2004



For and on behalf of Board of Directors

*[Signature]*  
Harry Dhanesh

*[Signature]*  
Laxmi Dhanesh

*[Signature]*  
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# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET

As at 31st. March,  
2004

As at 31st. March,  
2003

### Schedule 1: SHARE CAPITAL

Authorised Capital  
1,50,00,000 Equity Shares of Rs. 10/- each.  
(Previous Year 50,00,000 Equity Shares of Rs. 10/- each.)

Issued, Subscribed & Paid up Capital  
70,00,501 Equity Shares of Rs. 10/- each.  
(Previous Year : 48,00,501 Equity Shares)

150,000,000.00	50,000,000.00
70,005,010.00	48,005,010.00
70,005,010.00	48,005,010.00

### Schedule 2: RESERVES & SURPLUS

Share Premium  
Profit & Loss Account

90,000,000.00	90,000,000.00
5,137,784.02	5,137,784.02
95,137,784.02	95,137,784.02

### Schedule 3: SECURED LOANS

Third party  
(Secured against the immovable properties of the promoters)

Car Loans  
(Secured against hypotheciations of cars of the Company)

7,697,000.00	7,697,000.00
3,626,739.67	3,626,739.67
11,323,739.67	11,323,739.67

### Schedule 4: UNSECURED LOANS

from Director

48,1664.45	48,1664.45
48,1664.45	48,1664.45



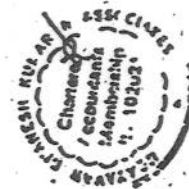
12

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# GLOBAL ENERGY LIMITED

## Schedule 5: FIXED ASSETS

Particulars	Gross Block			Depreciation		Net Block	
	Cost as on 1-Apr-03	Additions during the year	Cost as on 31-Mar-04	As on 1-Apr-03	Depreciation for the year	As on 31-Mar-04	W.D.V as on 31-Mar-03
Land/build Land	1,000,000.00		1,000,000.00				1,000,000.00
Power Plant	150,000,000.00	161,523,334.27	311,523,334.27		18,172,479.00	18,172,479.00	293,350,855.27
Computers	119,000.00	1,296,681.00	1,415,681.00		242,467.00	242,467.00	1,173,214.00
Office Equipment	55,301.00	646,300.00	701,601.00		81,749.00	81,749.00	619,852.00
Motor Car		5,745,863.00	5,745,863.00		336,619.00	336,619.00	5,409,244.00
	151,174,301.00	169,212,178.27	320,386,479.27		18,833,314.00	18,833,314.00	301,553,165.27
Office Renovation		424,712.00	424,712.00				424,712.00
Grand Total	151,174,301.00	169,636,890.27	320,811,191.27		18,833,314.00	18,833,314.00	301,977,877.27
Previous Year	151,040,000.00	134,201.00	151,174,301.00				151,174,301.00



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# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET

### Schedule 6: WORK IN PROGRESS

Opening Balance at the beginning of the year  
Add: Additions of Capital Expenditure during the year  
Less: Revenue Expenses incurred upto Commencement of Commercial Operations.

Total Additions  
Add: Amount of unabsorbed Revenue Expenditure  
Less: Amount Capitalised

74,660,157.60

58,125,134.00

15,955,140.77

4,721,436.67

79,381,594.27

74,080,374.77

579,852.83

79,381,594.27

74,660,157.60

79,381,594.27

74,660,157.60

### Schedule 7: CASH & BANK BALANCES

Cash in Hand  
Balances with Scheduled Banks in Current Account

3,219,910.53

298,814.00

13,567,833.91

7,265.64

16,787,744.44

306,079.64

### Schedule 8: SUNDRY DEBTORS

(Unsecured and considered good)  
more than six months  
Others

25,414,196.06

25,414,196.06

### Schedule 9: LOANS & ADVANCES

(Unsecured and considered good)  
Advances recoverable in cash or kind for the value to be received.

17,271,033.27

623,707.07

17,271,033.27

623,707.07

### Schedule 10: CURRENT LIABILITIES & PROVISIONS

Current Liabilities  
Sundry Creditors for Electricity  
Sundry Creditors for Expenses  
Other Liabilities

38,618,620.00

513,718.49

3,308,704.58

29,779,300.00

32,629,221.68

450,000.00

75,006,546.26

30,292,918.49



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# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET

### Schedule II: MISCELLANEOUS EXPENDITURE

(to the extent not written off)  
Preliminary Expenses  
Share Issue Expenses

Less: written off during the year

Deferred Revenue Expenses  
Less: written off during the year

As at 31st. March,  
2004

As at 31st. March,  
2003

190,750.00	190,750.00
122,500.00	122,500.00
313,250.00	313,250.00
62,650.00	
250,600.00	313,250.00
2,402,097.63	2,402,097.63
2,402,097.63	2,402,097.63
250,600.00	2,715,347.63



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# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

### Schedule 12: INCOME FROM OPERATIONS

Sale of Power  
Less: Purchase of Power

As at 31st. March, 2004	As at 31st. March, 2003
359,571,995.25	
306,114,160.52	
<u>53,457,834.73</u>	<u>-</u>

### Schedule 13: OTHER INCOME

Compensation received  
Miscellaneous Income  
Interest Income  
Sale of Scrap  
Insurance Claim recd.  
Discount recd.

1,500,000.00	480,000.00
490,000.00	
448.59	27,785.26
35,485.00	
29,469.00	
9,865.48	
<u>2,065,268.07</u>	<u>507,785.26</u>

### Schedule 14: POWER PLANT PURCHASES

Opening Stock  
Add: Purchases  
Less: Closing Stock

715,509.53	
715,509.53	
360,837.91	
<u>354,671.62</u>	<u>-</u>

### Schedule 15: POWER PLANT DIRECT EXPENSES

Consumables  
Wages  
Repairs & Maintenance  
Other Expenses

422,708.74	
41,760.00	
997,847.00	
33,202.00	
<u>1,495,517.74</u>	<u>-</u>

### Schedule 16: PERSONNEL EXPENSES

Staff Salaries  
Director's Salary  
Staff Welfare

1,266,228.00	16,643.00
487,000.00	
223,875.35	
<u>1,977,103.35</u>	<u>16,643.00</u>

### Schedule 17: OPERATING EXPENSES

Telephone & Communication  
Electricity Charges  
Legal & Professional fees

1,401,582.68	208,981.00
361,400.85	57,341.00
3,639,230.00	325,830.00
<u>5,402,213.53</u>	<u>592,152.00</u>



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66.

# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

As at 31st. March,  
2004

As at 31st. March,  
2003

### Schedule 18: SELLING & ADMINISTRATION EXPENSES

Travelling & Conveyance	5,429,914.95	102,534.00
Printing & Stationery	757,324.00	40,619.00
Repairs & Maintenance	3,085,765.25	68,479.00
Hotel & Guest House Expenses	1,677,537.46	-
Advertisement & Sponsorship Expenses	1,489,134.46	-
Computer & Data Processing Expenses	2,244,268.00	-
Vehicle Running & Maintenance Expenses	227,203.90	-
Office Rent	927,649.23	216,000.00
Miscellaneous Expenses	878,325.80	4,928.00
	<u>16,717,123.09</u>	<u>432,560.00</u>

### Schedule 19: INTEREST & FINANCIAL CHARGES

Bank Charges	137,862.15	26,363.00
Interest on Car Loans	19,156.67	-
	<u>157,018.82</u>	<u>26,363.00</u>



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*Prasanna*



# GLOBAL ENERGY LIMITED

## Schedule - 20: Significant Accounting Policies and Notes to Accounts:

### 1) Significant Accounting Policies:

#### 1. Accounting Convention:

The Accounts have been prepared under the historical cost convention on accrual basis in accordance with applicable accounting standards issued by Institute of Chartered Accountants of India and relevant provisions of The Companies Act, 1956. Accounting policies are consistent with those used in the previous year.

The preparation of financial statements requires management to make Estimates and Assumptions that affect the reported amounts of asset and liabilities, the disclosure of contingency assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period reported. Actual results could differ from those of estimates. Any revision to accounting estimates is recognised in accordance with the requirement of the respective accounting standard.

#### 2. Revenue Recognition:

a. Revenue from the sale of power is recognised upon flow of power from one destination to the other destination and billing is based upon the readings provided by the Regional Load Despatch Centre and Final Billing is done based upon the readings of the Regional Energy Accounts.

b. Incomes from Generation are accounted on bills raised.

c. Other Income is accounted on accrual basis except insurance claim and sale of scrap which is recognised on receipt basis.

3. Expenses are accounted on accrual basis.

#### 4. Fixed Assets:

Fixed Assets acquired are stated at cost of acquisition. Cost is inclusive of freight, installation, duties and other incidental expenditure. However, Power Plant as per the right to use agreement entered with Belgundi Cements Ltd. is recorded at value of the securities / deposit. Work in Progress & Revenue Expenditure incurred at the Power Plant upto the date (i.e. 28<sup>th</sup> October 2003) of the Power Plant was put to operation is capitalised on that date.

#### 5. Depreciation:

The Company has provided depreciation on Assets put to use, on pro-rata basis on the written down value method, at rates prescribed under schedule XIV of the Companies Act, 1956, except for fixed assets costing less than Rs.5,000/- each in value, which are depreciated in full in the year of purchases.

Power Plant acquired, under the right to use agreement is depreciated on pro-rata basis on the written down value method, at rates prescribed under schedule XIV of the Companies Act, 1956.



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6. Inventories:

Raw Materials are valued at cost, except waste / scrap which is valued at net realisable value.

7. Miscellaneous Expenditure:

Preliminary expenditure is written off over a period of 5 years on pro-rata basis.

8. Retirement Benefits:

The company has not made any provision for Gratuity as no employee has yet completed 5 years in the employment of the company.

9. Taxes on Income:

Provisions for Current Tax are made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income Tax Act, 1961.

10. Material events occurring after the Balance Sheet are taken into cognizance. Accounting Policies not referred to specifically otherwise are consistent with generally accepted principles.

17) Notes to Accounts

1 Sale of Electricity:

The Company has marginal income from generation of power since the commercial operations have not commenced, though the trial runs were successfully conducted and the Power Plant became operational on 28<sup>th</sup> October 2003. The company has not accounted for bills raised to Karnataka Power Transmission Corporation Limited for deemed generation since the matter is subjudice.

2. Fixed Assets

Fixed Assets include, Power Plant acquired by the Company from Belgundi Cements Ltd on right to use basis for a period of 30 years beginning from November 1994 and is recorded at a value of Rs 15 Crores being the securities issued by the Company of Rs 12/-Crores and the Balance is shown under the head of Current Liabilities. Subsequently, an addition of Rs.7.91 crores was invested by Belgundi Cements Ltd. and the promoters during the period 1998-2000 and same was agreed to be given on right to use basis. The consideration for this is reflected under share application for shares to be issued at par.

Work in Progress & Revenue Expenditure incurred for the Power Plant upto the date (i.e. 28<sup>th</sup> October 2003) of the Power Plant becoming operational is capitalised in the Books of Accounts.

3. Deferred Revenue Expenditure:

The entire expense under Deferred Revenue Expenditure was incurred in the previous year and is written off during the current year as no future benefits are expected to arise out of such expenditure.



*Signature*

4. Deferred Tax:

Deferred Tax Liability of Rs. 24,78,609/- (Previous Year Rs. NIL) for the current year has been charged to current year's profit. Deferred Tax Liability is mainly on account of timing difference in depreciation and carried forward losses under the head "Business Income".

5. The Company has increased its authorized share capital from Rs. 5 crores to Rs. 15 crores in December 2003 and allotted 22,00,000 equity share of Rs. 10/- each at par against share application money lying to the credit.

6. Estimated amount of contracts remaining to be executed in Capital Account

Rs. 354,152/-

7. Contingent Liabilities not provided in respect of:

		Current Year	Previous Year
(b)	Claim against the company not acknowledged as debts. Refer point —8.	Rs. 92.27 lacs	NIL

8. Claims against the company not acknowledged as debts consist of the following:-

- Rs. 73.09 Lacs being transmission charges claimed by one of the Company's customers.
- Rs. 19.18 Lacs : Claim filed against the Company for Rs. 255.78 lacs is not acknowledged by the company. However the company as a conservative accounting practices made a provision in its books to the extent of Rs. 236 lacs by not debiting the party since the matter is under dispute and is subjudice.

9. During the year the company has received and booked bills, for purchase of power at rates higher than those contracted for, in the financial books, due to which the purchase and current liabilities has been overstated by an amount of Rs. 290.28 lacs and the profit is understated by the amount of Rs. 290.28 lacs.

10. Payment to Auditors:  
- Audit fees  
- Other Matters

Rs. 75,000/- , Rs. 19,950/-  
Rs. Nil Rs. Nil

11. In the opinion of the Board of Directors, the Current Assets, Loans & Advances are having the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.



12. Unpaid overdue amount due on 31.03.2004 to small scale and/or ancillary Industrial supplies on account of principal amount is NIL (Previous Year Rs. Nil). This disclosure is based on the information available with the Company regarding status of the suppliers as defined under the "Interest on delayed payments to Small Scale and Ancillary Industrial Undertakings Act, 1993."

13. The company has issued 22,00,000/- equity shares of Rs. 10/- each at par to the promoters of the company against the share application pending allotment.

*[Handwritten Signature]*

# GLOBAL ENERGY LIMITED

As at 31.03.2004	As at 31.03.2003
------------------	------------------

(14) Value of Imports on C.I.F. basis	NIL	NIL
(15) Expenditure in Foreign Currencies	14.40	15.22
Travelling Expenses (Rs. in lacs)	NIL	NIL
(16) Earning in Foreign Currencies	4.87	NIL
(17) Managerial Remuneration		

## (18) Details of Raw Material Consumption

(a) Raw Material Consumed			
(b) Imported & Indigenous			
Raw Material Consumption			
Imported			
Indigenous			

Qty. (M. Tonnes)	Revenue (in lacs)	Qty. (Tonnes)	Revenue
2,881.40	35.72	NIL	NIL
2,881.40	35.72		NIL
100.00%	35.72		NIL

## (19) Details of Licenced & Installed Capacity.

### Production Stocks & Turnover

#### Class of Goods

(1) Generation of Electricity	
(i) Licenced Capacity	
(ii) Installed Capacity	
(iii) Production/ Purchase	
(iv) Stock at Commencement	
(v) Turnover	

#### (2) Trading of Electricity

(i) Licenced Capacity	
(ii) Installed Capacity	
(iii) Production/ Purchase	
(iv) Stock at Commencement	
(v) Stock at Closure	
(vi) Turnover	

5 Megawatts	N.A.		
5 Megawatts	N.A.		
1442200 units	35.72		
NIL	NIL		
NIL	NIL		
N.A.			
N.A.			
162.2 MML Units	2061.14		
NIL	NIL		
NIL	NIL		
160.91 MML Units	3595.71		

N.A.	
N.A.	
NIL	
NIL	
NIL	
N.A.	
N.A.	
NIL	
NIL	
NIL	
NIL	



Note: For Trading Activity.  
1. Quantity of purchases is as per bills accounted and quantity of sales is as per REA (Regional Electricity Accounts), thus there is a mismatch in quantities.  
2. Transmission Loss of 0.77225 MML units is due to transmission of electricity.

*Signature*  
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# GLOBAL ENERGY LIMITED

(20) Related Party Disclosures

Name of the Party	Harry Dhaal	Loyal Dhaal	Karan Dhaal	Michael Dhaal	Pali Dhaal	Maj. I.M. Dhaal	India Electron Exchange Ltd.	IPPAI (EEEP)
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Relationship	Promoter, Shareholder & Managing Director	Promoter, Shareholder & Director	Director	Promoter & Shareholder	Promoter & Shareholder	Promoter & Shareholder	Associate Company of the trust	Director and trustee
--------------	---	----------------------------------	----------	------------------------	------------------------	------------------------	--------------------------------	----------------------

Nature	a) Return of Share Redemption of Share Application Money reporting by enterprise	b) Receipt of Share Application Money	Remuneration	Remuneration	Professional fees paid by reporting enterprise	Professional fees paid by reporting enterprise	Expenses incurred by the enterprise for which shares are to be allotted	Incur Company
								Sponsorship paid
								Business Development

Amount (Volume)	a)	b)	c)	2,789,000	2,500,000	2,100,000	1,900,000	232,000	255,000	142,500	200,000	12,903,879	12,903,879
Outstanding	N/A	N/A	N/A	No	No	No	No	No	No	No	No	No	No
Amount written off	No	No	No	No	No	No	No	No	No	No	No	No	No



State Only current year transactions are disclosed. Apart from the above the following are related parties:

Relationship

Associate Company  
Directors are partners in the firm.

Name of the Party

- 1) Reliance Cement Ltd.
- 2) Prakash India

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# GLOBAL ENERGY LIMITED

21. The company has not accounted for assets financed by BSES Ltd. towards the completion of balance works with regard to the 5 Megawatt Bagasse based power project at Belgundi, Karnataka due to a breach of contract by BSES. The amount of capital expenditure is not ascertainable. Consequently, the debt to BSES is not accounted for except for Rs. 76,97,000/- which was paid by BSES to Karnataka Power Transmission Corporation Limited on behalf of the company for transmission lines.

## 22. CALCULATION OF EARNING PER SHARE:-

Profit for the year	Rs.76,16,393/-
Weighted average no of equity Shares (Based on Paid up capital of Rs.7,00,05,010/- as on 31.03.2004)	70,00,501
Earning Per Share (Basic/Diluted)	Rs. 1.08

23. Schedule Nos.1 to 20 form an integral part of the Balance Sheet and Profit & Loss Account.
24. Previous year figures have been regrouped and re-cast wherever necessary..

For Global Energy Limited

(Director)  
Harry Dhaul

(Director)  
Laxmi Dhaul

For Udayavar Dhanesh Kumar & Associates

Dhanesh Kumar Udayavar  
Proprietor



Place: Delhi  
Date: 14<sup>th</sup> August 2004

*[Signature]*  
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GLOBAL ENERGY LIMITED

ELEVENTH ANNUAL REPORT

2004-2005

*P. Srinivas*



## GLOBAL ENERGY LIMITED

C-301, House of Lords, Opp Mariott,  
Miramar, Panaji, Goa 403001  
Te: 0832 5643492, 5643491

Directors	:	Shri. Harry Dhaul Smt. Laxmi Dhaul Shri. Mikhail Dhaul Shri. Karan Dhaul Shri. Maj (Gen) N S Pathania (Rtd.)
Bankers	:	ICICI Bank Citi Bank HDFC Bank
Auditors	:	Mr. V V Ketkar Chartered Accountant 110, Hindu Colony, Dadar Mumbai 400014
Registered Office	:	C-301, House of Lords, Opp Mariott, Miramar, Panaji, Goa 403001 Te: 0832 5643492, 5643491
Administrative Office	:	22, Rakhi Mahal Dinshaw Vacha Road Churchgate, Mumbai  Gessco Corporate Centre 70, Nehru Place, New Delhi  A-206, Admiralty Square # 79, 6 <sup>th</sup> Main, 13 <sup>th</sup> Cross, Bangalore
Power Plant	:	Village : Belgundi District: Belgaum 591108

*H. S. Patil*

# GLOBAL ENERGY LIMITED

C-301, House of Lords, Opp Mariott,  
Miramar, Panaji, Goa 403001  
Te: 0832 5643492, 5643491

## NOTICE

Shorter Notice is hereby given that the Annual General Meeting of the members of Global Energy Ltd will be held on Monday the 16<sup>th</sup> of May 2006 at 11:00 am at the Registered Office C-301, House of Lords, Opp Mariott Hotel, Miramar, Panaji, Goa 403001 to transact the following business:

### Ordinary business

1. To resolve, consider, adopt the Audited Balance Sheet as at 31.03.2005 and the reports of Director's and Auditors thereon.
2. To appoint a Director in place of Shri. Harry Dhaul who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and for that purpose to pass with or without modification (s) the following resolution as Ordinary Resolution:

"RESOLVED THAT Mr.Vinit Ketkar, Chartered Accountant, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the company be and is hereby authorized to fix their remuneration for the said year"

### SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 269 and other applicable provision of the Companies Act, 1956, approval of the Company be and is hereby given for appointment of Mr.Harry Dhaul as Managing Director of the company on the terms and conditions approved by the Board in its meeting held on 23.04.2006 for a period of five years with effect from 23.04..2006.

*For Chairman*

By the order of the Board

Harry Dhaul  
Managing Director

Date: Mumbai  
Dated: 23<sup>rd</sup> April 2006

Note:

A member is entitled to appoint a proxy to attend and vote instead of himself or herself and a proxy member need not to be a member of the company. Proxy in order to be effective must be deposited at Registered Office of the company not less than 48 hours before the time for holding the above said meeting.

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

ITEM NO. 4

Mr. Harry Dhaul retires by rotation at this Annual General Meeting and being eligible offers him for re-appointment. Mr. Harry Dhaul has over 25 years of experience in the power sector. He has held various positions on Government Committees, as a consultant/ advisor to the Ministry of Power, CEA, SEB and various regulatory bodies et. Mr. Harry Dhaul is with Global Energy Limited since its incorporation and having regard to the services rendered to the company by him, the Board of Directors of the company at their meeting held on 23<sup>rd</sup> April 2006 decided to re-appoint Mr. Harry Dhaul as Managing Director of the company for a period of five years to the approval of the members.

All the Directors are interested in the aforesaid resolution.

*H. Dhaul*

# GLOBAL ENERGY LIMITED

C-301, House of Lords, Opp Mariott,  
Miramar, Panaji, Goa 403001  
Te: 0832 5643492, 5643491

## DIRECTORS REPORT

Dear Members,

Yours Directors have pleasure in presenting their report with the audited accounts of your company for the year ended 31 st March, 2005.

### FINANCIAL PERFORMANCE

The Annual Accounts accompanying this report are self explanatory and provides the overall picture of the financial operations during the year.

### DEVELOPMENTS

#### A. POWER GENERATION

Your company is setting up a renewable fuel based power project of gross operating capacity of 25 MW, of which the first phase of 5MW is already commissioned. The project site is located at Village Belgundi near the city of Belgaum in Karnataka. Karnataka, like many other states, has been a power deficient state, estimated to have a shortfall of over 3000 MW. The company is in negotiation with the KPTCL on the issues raised in the PPA and the matter is in arbitration.

Your company is making best efforts in maintaining the power plant after the trials pending the settlement of the issues with the KPTCL at a high cost.

#### B. POWER TRADING

Your company could not expand the business due to various constraints including the non availability of power from existing sources due various circumstances. With the result the company has not done as well as expected.

### INVESTMENT

During the year your company contributed to India's first online spot electricity exchange India Electron Exchange Limited offering real time scheduling and settlement services by investing a sum of Rs.7.34lakhs. The exchange is also supported by State Governments, with a technology platform provided by Triple Point Technologies inc USA and settlement services by India's leading Banks.

*H. S. Srinivas*

## DIRECTORS

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the company Mr. Harry Dhaul shall retire at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

## AUDITORS

Your Company's statutory Auditors, M/s Udayavar Dhanesh Kumar & Associates, Chartered Accountants resigned, and Mr Vineet Ketkar, Chartered Accountant was appointed as the statutory auditor at the EGM held on 13<sup>th</sup> Feb 2005.

## AUDIT COMMITTEE

The Audit Committee is a sub-committee of the board whose responsibility include:

- Reviewing the interim and full year accounts and results announcements of the company and other formal announcement relating to the company's financial performance and recommending them to the board for approval.

- Reviewing the group's systems for internal financial control and risk management.

- Monitoring and reviewing the effectiveness of the company's internal audit function and considering regular reports from internal audit on internal financial controls and risk management.

- Considering the appointment of the external auditors; overseeing the process for their selection; and making recommendations to the board in relation to their appointment (to be put to shareholders for approval at a general meeting);

- Monitoring and reviewing the effectiveness and independence of the external auditors agreeing the nature and scope of their audit, their remuneration, and considering their reports on the company's accounts and systems of internal financial control and risk management.

### Composition of the Audit Committee.

The Chairman of the audit committee is Mr. Mikhail Dhaul. The other member of the Audit Committee are Mrs. Laxmi Dhaul and Mr Karan Dhaul.

The Audit Committee met four times during the financial year ended 31<sup>st</sup> March, 2005

## FIXED DEPOSITS

The company has not accepted any Fixed Deposits during the year under report.

*H. Dhaul*



## DIVIDEND

Your directors do not recommend any dividend for year ended 31 March, 2005.

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

The particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particular in Report of the Board of Directors) Rules 1988 relating to the conservation of energy and technology absorption are given hereunder:

1. Conservation of Energy : Not Applicable
2. Technology absorption : Not Applicable
3. Total Foreign Exchange earnings and Outgo
  - o Total foreign exchange earning : NIL
  - o Total foreign exchange outgo : Nil

## PARTICULARS OF EMPLOYEES

Particulars of employees as required u/s 217 (2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended to date are not applicable to the company as there was no employee in receipt of the prescribed remuneration.

## DIRECTORS RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors believe that the financial statements for the period ended 31<sup>st</sup> March 2005, are in full conformity with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India and the same have been prepared on a going concern basis.

The directors of Global Energy Limited accept the responsibility for the integrity and objectivity of the financial statements, as reflected through the consistent application of the Accounting Policies to the best of their knowledge.

The directors believe to the best of their knowledge that the financial statements reflect fairly the form and substance of the transaction concluded and reasonably present the company's financial condition and true and fair view of the results of the preliminary operations for the year and the state of affairs of the business as at 31<sup>st</sup> March 2005.

To the best of our knowledge the statutory auditors have conducted comprehensive audits to provide reasonable assurance that the established policies and the procedures of the company have been followed for safeguarding the assets.



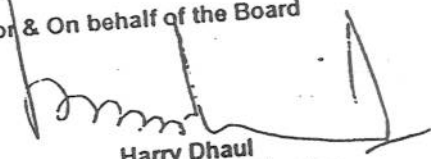
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The financial statements have been audited by Mr. V. V. Ketkar, Chartered Accountants, the Statutory Auditors of the Company.

### Acknowledgment

Your director also wish to place on record their gratitude for the valuable assistance and co-operation extended to the company by its employees, strategic partners, and bankers for their continued support.

For & On behalf of the Board

  
Harry Dhaul  
Chairman & Managing Director

Place : Mumbai  
Date : 23<sup>rd</sup> April 2006





**V V Ketkar**  
Chartered Accountant  
110, Hindu Colony, Dadar, Mumbai 400 014  
Phone 30928030

## AUDIT REPORT

To,

THE MEMBERS OF

GLOBAL ENERGY LIMITED

- 1) We have audited the attached Balance Sheet of Global Energy Ltd. As at 31<sup>st</sup> March, 2005 and also the Profit and loss Account for the year on the date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
- 4) Further to our comments in the Annexure referred to above, we report that :
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. In our opinion proper books of accounts as required by law have been kept by the company, so far as appears from our examination of these books.
  - iii. The Balance Sheet, Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
  - iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the companies Act, 1956
  - v. On the basis of the written representation received from the directors, as on 31<sup>st</sup> March 2005 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31<sup>st</sup> March 2005 from being appointed as a directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

*V V Ketkar*



V V Ketkar  
Chartered Accountant  
110, Hindu Colony, Dadar, Mumbai 400014  
Phone 30928030

vi. In our opinion and to the best of our information and according to the explanation given to us, the said accounts, read together with the significant Accounting policies and notes appearing thereon as contained in Schedule 19, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- A. In the case of the Balance Sheet of the State of affairs of the Company as at 31<sup>st</sup> March 2005,
- B. In the case of the Profit and loss Account, of the loss for the year ended on that date,

*Ketkar VV*  
V V Ketkar  
Chartered Accountant  
Membership No 047377



Place: Mumbai

Date: 23<sup>rd</sup> April, 2006

*Boonam*

V V Ketkar  
Chartered Accountant  
110, Hindu Colony, Dadar, Mumbai 400014  
Phone 30928030

**ANNEXURE TO THE AUDITORS REPORT**  
(Referred to in Paragraph 3 of our Report of even date)

1. The Company has maintained proper records to show full particulars, including quantitative details and situation of the fixed assets.
2. All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
3. As explained to us, the company has not disposed off a major or any part of plant and machinery during the year.
4. As explained to us, the inventory has been physically verified by the management. According to the information and explanations given to us, we are of the opinion, the frequency of the verification is reasonable.
5. In our opinion, the procedure of the physical verification of the inventories followed by the company are reasonable and adequate in relation to the size of the company and the nature of its business.
6. The company is maintaining proper records of inventory. No discrepancies are noticed on verification between the physical stocks and the book records.
7. The Company has taken secured or unsecured loans from any Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 as per details given below. The Company has not paid any interest on these loans and these loans not prejudicial to interest of the Company.

Name of the Entity (Rs.)	Loan Taken during the year (Rs.)	Loan Repaid During the year (Rs.)	Maximum Outstanding during the year (Rs.)	Balance during
Mrs. Pali Dhaul	8,50,000	Nil	8,50,000	
Mr I M Dhaul	5,00,000	Nil	5,00,000	
India Electronic Exchange Ltd.	5,67,000	Nil	5,67,000	

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct weakness in internal controls.

9. Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.



V V Ketkar  
Chartered Accountant  
110, Hindu Colony, Dadar, Mumbai 400014  
Phone 30928030

10. In our opinion and according to the information and explanations given to us, the transactions made pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the values of Rupees Five Lacs only in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. Following are the transactions -

Sr. No.	Name of the Party	Nature of Transaction	Amount
1	Mutual Benefit Society (EEFI)	Compensation for use of Infrastructure	Rs. 29 lacs.
2	Mutual Benefit Society (Infrastructure Power & Petroleum Association of India)	Compensation for use of Infrastructure	Rs. 4 lacs

11. The company has not accepted deposits from public under section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
12. In our opinion, the company has an adequate system of internal audit commensurate with size and nature of its business.
13. The Company has not maintained any Books of Accounts pursuant to the rules made by the Central Government for the maintenance of Cost Records under section 209(1) (d) of the Companies Act, 1956 as the same are not prescribed for the trading activity and for the generation activity the company has not maintained the same.
14. According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Protection Fund, Education Protection Fund, Sales Tax, Wealth Tax, Custom Duty, Cess except Income Tax Deducted at source (TDS) under the provisions of The Income Tax Act 1961.
15. According to the information and explanation given to us, there are undisputed amount payable in respect of Income tax, Wealth Tax, Custom Duty and Excise Duty, Cess which were outstanding as at 31<sup>st</sup> March 2005 for a period of more than six months, from the date they became payable namely delays in payment of Income Tax Deducted at source the details of which are given below -

Nature of Payment	Amount Due (Rs.)	Date of payment
Contractors	57,719	18.04.2006
Professional Fees	71,014	18.04.2006
Rent	60,381	18.04.2006
Salary	17,866	18.04.2006

(The above amount has been paid and is inclusive of interest on delayed payments).

16. The Company has no accumulated losses and has incurred cash losses of Rs. 7,199,488 during the financial year covered by our audit or in the immediately preceding financial year.





V V Ketkar  
Chartered Accountant  
10, Hindu Colony, Dadar, Mumbai 400014  
Phone 30928030

17. The Company has taken loans from banks and there are no default on account of repayment of principal and interest.
18. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
19. The Company is not dealing in or trading in shares securities debentures and other investments accordingly the provisions of clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
20. The Company has given guarantees for the loans taken by others, from banks or financial institutions, the terms and conditions of which are not prejudicial to the interest of the Company.
21. The company has not availed any terms loans from banks. Accordingly the provisions of clause 4 (xvi) of the companies (Auditors Report) Order, 2003 are not applicable to the company.
22. According to the balance Sheet of the company as at 31<sup>st</sup> March 2005, we report that the company had long term sources of funds including internal accruals amounting to Rs. 2651.05 lacs against which long term application of funds is Rs. 2920.87 and the short term funds available are Rs. 269.81 lacs. Thus during the accounting year covered by our report the company has utilized Rs. 269.81 lacs of short term funds towards long term applications.
23. The company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Act.
24. During the period covered by the audit report, the company has not issued any debentures during the year.
25. The company has not raised any money by way of public issue.
26. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

V V Ketkar  
Chartered Accountant  
Mem No 047388

Place: Mumbai  
Date: 23<sup>rd</sup> April, 2006

*[Signature]*

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# GLOBAL ENERGY LIMITED

## Balance Sheet As At 31st. March 2005

	Schedule No.	As at 31st. March, 2005	As at 31st. March, 2004
<b>I SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS FUNDS</b>			
a) Share Capital	1	70,005,010.00	70,005,010.00
b) Reserves & Surplus	2	78,690,962.57	95,137,784.02
c) Share Application Money		102,613,340.70	108,110,600.00
<b>LOAN FUNDS</b>			
a) Secured Loans	3	11,621,882.64	11,323,739.67
b) Unsecured Loans	4	1,917,000.00	
<b>DEFERRED TAX LIABILITY</b>			
			2,478,609.00
<b>TOTAL</b>		<b>264,848,195.91</b>	<b>287,055,742.69</b>
<b>II APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	323,335,538.27	320,811,191.27
Less: Depreciation		31,248,716.39	18,833,314.00
Net Block		<b>292,086,821.88</b>	<b>301,977,877.27</b>
<b>INVESTMENTS</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) Cash & Bank Balances	6	4,711,229.51	16,787,744.44
b) Sundry Debtors	7	18,174,506.59	25,414,196.06
c) Inventories		200,782.91	360,837.91
d) Loans & Advances	8	21,011,093.86	17,271,033.27
		44,097,612.87	59,833,811.68
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>			
	9	73,205,219.63	75,006,546.26
<b>NET CURRENT ASSETS</b>		(29,107,606.76)	(15,172,734.58)
<b>DEFERRED TAX ASSET</b>		945,764.79	
<b>MISCELLANEOUS EXPENDITURE</b>	10	923,216.00	250,600.00
<b>TOTAL</b>		<b>264,848,195.91</b>	<b>287,055,742.69</b>

Significant Accounting Policies & Notes to Accounts

V V Ketkar  
Chartered Accountant  
Proprietor  
M. No. 047338

Date: 23rd. April 2006  
Place: Mumbai

For and on Behalf of Board of Directors

Harry Dhaul

Karan Dhaul

Date: 23rd. April 2006  
Place: Mumbai

## GLOBAL ENERGY LIMITED

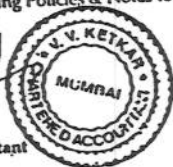
## Profit &amp; Loss Account for the year ended 31st. March, 2005

	Schedule No.	As at 31st. March, 2005	As at 31st. March, 2004
<b>I INCOME</b>			
Income from Operations	11	9,356,737.59	53,457,834.73
Sale of Electricity	12	7,969,672.19	20,000.00
Other Income			2,065,268.07
<b>TOTAL</b>		<b>17,326,409.78</b>	<b>55,543,102.80</b>
<b>II EXPENDITURE</b>			
Power Plant Purchases	13	256,305.00	354,671.62
Power Plant Direct Expenses	14	1,028,465.70	1,495,517.74
Personnel Expenses	15	1,688,126.50	1,977,103.35
Operating Expenses	16	5,993,889.80	5,402,213.53
Selling & Administration Charges	17	14,830,693.55	16,717,123.09
Interest & Financial Charges	18	772,868.08	157,018.82
Roe Fees		17,379.00	75,000.00
Auditors Remuneration		75,000.00	18,833,314.00
Depreciation		12,415,402.39	2,402,097.63
Deferred Revenue Expenditure w/off.		97,475.00	62,650.00
Preliminary Expenses W/off			
<b>TOTAL</b>		<b>37,197,605.02</b>	<b>47,476,709.78</b>
Profit / (Loss) Before Tax		(19,871,195.24)	8,066,393.02
Less: Provision for Tax			450,000.00
Profit / (Loss) after Tax		(19,871,195.24)	7,616,393.02
Less: Deferred Tax Expense			2,478,609.00
Add : Deferred Tax Income		3,424,373.79	
		(16,446,821.45)	5,137,784.02
		5,137,784.02	
Add: Opening Balance		(11,309,037.43)	5,137,784.02
		(11,309,037.43)	5,137,784.02

Balance carried over to Balance Sheet

Significant Accounting Policies &amp; Notes to Accounts

V V Ketkar  
Chartered Accountant  
M No 047388



For and on Behalf of Board of Directors

Harry Dhaul

Karan Dhaul

Date: 23rd. April 2006  
Place: Mumbai

Date: 23rd. April 2006  
Place: Mumbai

*Signature*



**GLOBAL ENERGY LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

As at 31st. March, 2005

As at 31st. March, 2004

**Schedule 1: SHARE CAPITAL****Authorised Capital**

1,50,00,000 Equity Shares of Rs. 10/- each.  
 (Previous Year 150,00,000 Equity Shares of Rs. 10/- each.)

150,000,000.00

150,000,000.00

**Issued, Subscribed & Paid up Capital**  
 70,00,501 Equity Shares of Rs. 10/- each.  
 (Previous Year : 70,00,501 Equity Shares)

70,005,010.00

70,005,010.00

70,005,010.00

70,005,010.00

**Schedule 2: RESERVES & SURPLUS****Share Premium**

Profit &amp; Loss Account

90,000,000.00  
 (11,309,037.43)

90,000,000.00  
 5,137,784.02

78,690,962.57

95,137,784.02

**Schedule 3: SECURED LOANS****Third party**

(Secured against the immovable properties of the promoters)

7,697,000.00

7,697,000.00

3,924,882.64

3,626,739.67

**Car & Equipment Loans**

(Secured against hypotheciations of cars of the Company)

11,621,882.64

11,323,739.67

**Schedule 4: UNSECURED LOANS**

from Director & Relatives  
 Inter Corporate Deposit

1,350,000.00  
 567,000.00

1,917,000.00



*Handwritten signature*

## GLOBAL ENERGY LIMITED

## Schedule 5: FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	Cost as on 01-Apr-04	Additions during the year	Cost as on 31-Mar-05	As on 01-Apr-04	Depreciation for the year	As on 31-Mar-05	W.D.V as on 31-Mar-05	W.D.V as on 31-Mar-04
Leasehold Land	1,000,000.00	-	1,000,000.00	-	-	-	1,000,000.00	1,000,000.00
Power Plant	311,523,334.27	76,400.00	311,619,734.27	18,172,477.30	10,096,479.39	28,268,958.39	83,350,775.88	293,350,855.27
Computers	1,415,681.00	2,105,573.00	3,521,254.00	242,467.00	786,949.00	1,029,416.00	2,491,838.00	1,173,214.00
Office Equipment	701,601.00	262,409.00	964,010.00	81,749.00	120,130.00	201,879.00	762,131.00	619,852.00
Motor Car	5,745,863.00	12,190.00	5,758,053.00	336,619.00	1,403,610.00	1,740,229.00	4,017,824.00	5,409,244.00
Furniture & Fixtures	-	47,775.00	47,775.00	-	8,234.00	8,234.00	39,541.00	-
Office Renovation	424,712.00	-	424,712.00	-	-	-	424,712.00	424,712.00
Grand Total	320,811,191.27	2,524,347.00	323,335,538.27	18,833,314.00	12,415,402.39	31,248,716.39	292,086,821.88	301,977,877.00
Previous Year	151,174,301.00	169,636,890.27	320,811,191.27	-	-	-	320,811,191.27	-



*Signature*

# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st. March, 2005	As at 31st. March, 2004
<b>Schedule 6: CASH &amp; BANK BALANCES</b>		
Cash In Hand	3,809,343.75	3,219,910.53
Balances with Scheduled Banks in Current Account	901,885.76	13,567,833.91
	<u>4,711,229.51</u>	<u>16,787,744.44</u>
<b>Schedule 7: SUNDRY DEBTORS</b> (Unsecured and considered good) more than six months Others		
	18,109,447.65	
	65,058.94	25,414,196.06
	<u>18,174,506.59</u>	<u>25,414,196.06</u>
<b>Schedule 8: LOANS &amp; ADVANCES</b> (Unsecured and considered good) Advances recoverable in cash or kind for the value to be received.		
	21,011,093.86	17,271,033.27
	<u>21,011,093.86</u>	<u>17,271,033.27</u>
<b>Schedule 9: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors for Electricity	36,294,955.16	38,618,620.00
Sundry Creditors for Expenses	7,372,405.47	3,308,704.58
Other Liabilities	29,087,859.00	32,629,221.68
<b>Provisions</b>		
Provision for Taxation	450,000.00	450,000.00
	<u>73,205,219.63</u>	<u>75,006,546.26</u>
<b>Schedule 10: MISCELLANEOUS EXPENDITURE</b> (to the extent not written off) Preliminary Expenses ROC Fees & Stamp Duty Expenses Less: written off during the year		
	250,600.00	190,750.00
	770,091.00	122,500.00
	<u>1,020,691.00</u>	<u>313,250.00</u>
	97,475.00	62,650.00
	<u>923,216.00</u>	<u>250,600.00</u>



*Signature*

# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

As at 31st. March, 2005	As at 31st. March, 2004
-------------------------	-------------------------

### Schedule 11: INCOME FROM OPERATIONS

Sale of Power	102,311,303.00	85,571,995.25
Less: Purchase of Power & Incidental Exps.	92,954,565.41	80,611,160.52
	<u>9,356,737.59</u>	<u>53,457,834.73</u>

### Schedule 12: OTHER INCOME

Compensation Received	3,300,000.00	1,500,000.00
Miscellaneous Income	4,525,438.37	490,000.00
Interest Income	3,301.82	448.59
Sale of Scrap		35,485.00
Insurance Claim recd.	139,760.00	29,469.00
Discount Received	1,172.00	9,865.48
	<u>7,969,672.19</u>	<u>2,065,268.07</u>

### Schedule 13: POWER PLANT PURCHASES

Opening Stock	360,837.91	
Add: Purchases	<u>96,250.00</u>	<u>715,509.53</u>
	457,087.91	715,509.53
Less: Closing Stock	<u>200,782.91</u>	<u>360,837.91</u>
	<u>256,305.00</u>	<u>354,671.62</u>

### Schedule 14: POWER PLANT DIRECT EXPENSES

Consumables	64,743.20	422,708.74
Wages	493,010.50	41,760.00
Repairs & Maintenance	13,841.00	997,847.00
Other Expenses	456,871.00	33,202.00
	<u>1,028,465.70</u>	<u>1,495,517.74</u>

### Schedule 15: PERSONNEL EXPENSES

Staff Salaries	1,131,272.00	1,266,228.00
Directors Salary	458,500.00	487,000.00
Staff Welfare	98,354.50	223,875.35
	<u>1,688,126.50</u>	<u>1,977,103.35</u>

### Schedule 16: OPERATING EXPENSES

Telephone & Communication	1,842,945.65	1,401,582.68
Electricity Charges	526,619.15	361,400.85
Legal & Professional fees	3,626,325.00	3,639,230.00
	<u>5,995,889.80</u>	<u>5,402,213.53</u>



*Signature*

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**GLOBAL ENERGY LIMITED**  
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

As at 31st. March, 2005	As at 31st. March, 2004
-------------------------	-------------------------

**Schedule 17: SELLING & ADMINISTRATION EXPENSES**

Travelling & Conveyance	7,968,564.72	5,429,914.99
Printing & Stationery	270,453.60	757,324.00
Repairs & Maintenance	2,451,447.60	3,085,765.25
Hotel & Guest House Expenses	612,447.35	1,677,537.46
Advertisement & Sponsorship Expenses	206,028.00	1,489,134.46
Computer & Data Processing Expenses	3,537.00	2,244,268.00
Vehicle Running & Maintenance Expenses	885,902.15	227,203.90
Office Rent	2,182,761.00	927,649.23
Miscellaneous Expenses	269,552.13	878,325.80
	<u>14,850,693.55</u>	<u>16,717,123.09</u>

**Schedule 18: INTEREST & FINANCIAL CHARGES**

Bank Charges	562,743.11	137,862.15
Interest on Car & Equipment Loans	210,124.97	19,156.67
	<u>772,868.08</u>	<u>157,018.82</u>



*V. V. Ketkar*



# GLOBAL ENERGY LIMITED

## Schedule-19: Significant Accounting Policies and Note to Accounts:

### 1) Significant Accounting Policies:

#### 1. Accounting Convention:

The Accounts have been prepared under the historical cost convention on accrual basis in accordance with applicable accounting standards issued by Institute of Chartered Accountants of India and relevant provisions of The Companies Act, 1956 Accounting Policies are consistent with those used in the previous year.

The preparation of financial statements requires management to make Estimates and Assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingency assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the year reported. Actual results could differ from those of estimates. Any revision to accounting estimates is recognized in accordance with the requirement of the respective accounting standard.

#### 2. Revenue Recognition:

a. Revenue from the sale of power is recognized upon flow of power from one destination to the other destination and Billing is based upon the readings provided by the Regional Load Dispatch Centre and Final Billing is done based upon the reading of the Regional Energy Accounts.

b. Other Income is accounted on accrual basis.

#### 3. Expenses are accounted on accrual basis.

#### 4. Fixed Assets:

Fixed Assets acquired are stated at cost of acquisition. Cost is inclusive of freight, installation, duties and other incidental expenditure. However, Power Plant as per the right to use agreement entered with Bel gundi Cements Ltd. is recorded at value of the securities/deposit.

#### 5. Depreciation:

The Company has provided depreciation on Assets put to use, on pro-rata basis on the written down value method, at rates prescribed under schedule XIV of the Companies Act, 1956, except for fixed assets costing less than Rs.5,000/- each in value, which are depreciated in full in the year of purchases.

Power plant acquired under the right to use agreement is depreciated on pro-rata basis using Straight Line Method, at rates prescribed in Appendix II of the resolution passed by Central Electricity Regulatory Commission (CERC) dated 29.03.2004 which came into effect from 1<sup>st</sup> April 2004.

#### 6. Inventories:

Raw Materials are valued at cost, except waste/ scrap which is valued at net realizable value.

#### 7. Miscellaneous Expenditure:

Preliminary expenditure is written off a period of 5 years on pro-rata basis.

*Signature*



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## GLOBAL ENERGY LIMITED

## 8. Retirement Benefit:

The company has not made any provision for Gratuity as no employee has yet completed 5 years in the employment of the company.

## 9. Taxed on Income:

Provisions for Current Tax are made on the basis of estimated taxable income for the current accounting period and in accordance with provisions of the income Tax Act, 1961.

10. Material events occurring after the Balance Sheet are taken into cognizance. Accounting policies not referred to specifically otherwise are consistent with generally accepted principles.

## II) Notes to Accounts

## 1. Sale of Electricity:

During the year there is no income earned from Generation of Electricity.

## 2. Fixed Assets:

Fixed Assets include, Power Plant acquired by the Company from Belgundi Cement Ltd. On right to use basis for a period of 30 years beginning from November 1994 and is recorded at a value of Rs15 Crores being the securities issued by the Company of Rs12 Crores and the Balance is shown under the head of Current liabilities. Subsequently, an addition of Rs.7.91 Crores was invested by Belgundi Cements Ltd. and the promoters during the period 1998-2000 and same was agreed to given on right to use basis. The consideration for this is reflected under share application for shares to be issued at par.

Based on opinion report taken by the Company with regard to assets acquired on right to use basis (leased assets) are to be classified as fixed assets.

3. Depreciation - During the year the Company has changed the method of providing depreciation on Power Plant, as required by the resolution passed by CERC dated 29.03.2004, effective from 01.04.2004. The rate of Depreciation specified in the Appendix II of the said circular is 3.6% p.a. on the straight-line basis on historical value less 10% residual value of the asset. Due to the change in the accounting policy on depreciation as stated above, the amount of depreciation under the new method is Rs. 10,096,479 however the depreciation at the rate prescribed under the Companies Act is Rs. 44,985,464

## 4. Deferred Revenue Expenditure:

The entire expense under Deferred Revenue Expenditure was incurred in the previous year and is written off during the current years as no future benefits are expected to arise out of such expenditure.

## 5. Deferred Tax :

Deferred Tax Income of Rs. 3,424,373 (Previous Year Deferred Tax Expenses of Rs. 24,78,609) for the current year has been credited to current year's profit. Deferred Tax Asset is mainly on account of timing difference in depreciation and carried forward losses under the head "Business Income".

*Pranav*



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# GLOBAL ENERGY LIMITED

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6. Estimated amount of contracts remaining to be executed in Capital Account Not Ascertainable

7. Contingent Liabilities not provided in respect of:

		Current Year	Previous Year
(b)	Claim against the company not acknowledged as debts Refer point---8	Rs. 92.27 Lacs	Rs. 92.27 Lacs

8. Claims against the company not acknowledges as de bts consist of the following:-

- (a) Rs.73.09Lacs being transmission charges debited by the Kerala Electricity Board is not acknowledged by the Company.
- (b) Claim filed by Goa Electricity Department against the Company for Rs. 255.78 lacs is not acknowledged by the company. However the company as a conservative accounting practices made a provision in its books to the extent of Rs. 236 lacs by not debiting the party since the matter is under dispute and is subjudice.

9. During the year the Company has filed an arbitration against Karnataka Power Transmission Company Limited with regard to cancellation of Power Purchase Agreement. The matter is pending before the arbitrator.

10. The Company has filed an arbitration against Tripura State Electricity Corporation Limited for breach of its contractual obligation and the Company has filed a claim for compensation of Rs. 4.54 crores. The matter is pending before the arbitrator.

11. Payment to Auditors:

	Current Year	Previous Year
- Audit fees	Rs.75000/-	Rs.75000
- Other Matters	Rs. NIL	Rs. NIL

12. In the opinion of the Board of Directors, the Current Assets, Loans & Advances are having the value at which they are stated in the Balance Sheet if realized in the ordinary course of business.

13. Certain assets and liabilities are subject to reconciliation and confirmation.

14. Unpaid overdue amount due on 31.03.2004 to small scale and /or ancillary Industrial supplies on account of principle amount is NIL ( Previous Year Rs. Nil) . This disclosure is based on the information available with the Company regarding status of the suppliers as defined under the "Interest on delayed payments to Small Scale and Ancillary Industrial Undertakings Act, 1993."

15. The company has not accounted for assets financed by BSES Ltd. against the security of personal assets of promoters of the Company, towards the completion of balance works with regard to the 5 Megawatt Bagasse based power project at Belgundi, Karnatka due to a breach of contract by BSES. The amount of capital expenditure is not ascertainable. Consequently, the debt to BSES is not accounted for except for Rs.76,97,000/- which was paid by BSES to Karnataka Power Transmission Corporation Limited on behalf of the company towards completion of transmission lines of the Project.

*[Signature]*



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# GLOBAL ENERGY LIMITED

Rs. In Lacs

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As at 31.03.2005

NIL

NIL

As at 31.03.2004

(16) Value of imports on C.I.F. basis

NIL

14.40

(17) Expenditure in Foreign Currencies  
Travelling Expenses (Rs. in lacs)

NIL

NIL

(18) Earning in Foreign Currencies

4.59

4.87

(19) Managerial Remuneration

(20) Details of Raw Material Consumption

(a) Raw Material Consumed

(b) Imported & Indigenous

Raw Material Consumption

Imported

Indigenous

Qty. (M. Tonnes)	Ruppes (lacs)	Qty. (Tonnes)	Ruppes
183	2.56	2,884	35.72
183	2.56	2,884	35.72
NIL	NIL	100%	35.72
100%	2.56		

(21) Details of Licenced & Installed Capacity,  
Production Stocks & Turnover

Class of Goods

(1) Generation of Electricity

(i) Licensed Capacity

(ii) Installed Capacity

(iii) Production/ Purchase

(iv) Stock at Commencement

(v) Turnover

5 Megawatts

5 Megawatts

35.72

NIL

NIL

NIL

(2) Trading of Electricity

(i) Licensed Capacity

(ii) Installed Capacity

(iii) Production/ Purchase

(iv) Stock at Commencement

(v) Stock at Closure

(vi) Turnover

N.A.

N.A.

43,8502 MTL Units

NIL

NIL

43,7998 MTL Units

1622 MTL Units

NIL

160,91 MTL Units

1023.11

3061.14

NIL

NIL

3595.71

Note: For Trading Activity,

1. Quantity of purchases is as per bills accounted and quantity of sales is as per REA (Regional Electricity Accounts), thus there is a mismatch in quantity.

2. Transmission Loss of 0.772295 MTL units is due to transmission of electricity.



Signature

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# GLOBAL ENERGY LIMITED

## (22) Related Party Disclosures

Name of the Party	Harry Dhaul	Laxmi Dhaul	Karan Dhaul	Mikhail Dhaul	Pali Dhaul	Maj. I.M. Dhaul	India Electron Exchange Ltd.	Energy Environment Foundation of India
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Relationship	Promoter, Shareholder & Managing Director	Promoter, Shareholder & Director	Director	Director	Promoter & Shareholder	Promoter & Shareholder	Associate Company	Directors are office bearers.
--------------	---	----------------------------------	----------	----------	------------------------	------------------------	-------------------	-------------------------------

Nature	a) Refund of Share Application Money by reporting enterprise	Refund of Share Application Money by reporting enterprise	Refund of Share Application Money by reporting enterprise	Refund of Share Application Money by reporting enterprise	Refund of Share Application Money by reporting enterprise	Refund of Share Application Money by reporting enterprise	Refund of Share Application Money by reporting enterprise	Refund of Share Application Money by reporting enterprise
b) Receipt of Share Application Money	Receipt of Share Application Money	Receipt of Share Application Money	Receipt of Share Application Money	Receipt of Share Application Money	Receipt of Share Application Money	Receipt of Share Application Money	Receipt of Share Application Money	Receipt of Share Application Money
c)								

Amount (Volume)	a) 3,051,155	2,541,072	278,500	180,000	25,000	15,000	7,16,792	3,100,000
b)	9,400	256,258	14,756	150,000	500,000	500,000	567,000	
c)			14,500					

Outstanding	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No
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## Amount written off

Amount written off	No	No	No	No	No	No	No	No
--------------------	----	----	----	----	----	----	----	----

Note: Only current year transactions are disclosed. Apart from the above the following are related parties:

## Relationship

Associate Company  
Directors are partners in the firm.

## Name of the Party

- 1) Belgundi Cements Ltd.
- 2) Transmed India



## GLOBAL ENERGY LIMITED

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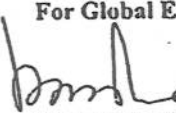
### 23. CALCULATION OF EARNING PER SHARE:-

Profit for the year	Rs. (19,614,890)
Weighted average no. of equity shares (Based on Paid up capital of Rs.7,00,05,010/- as on 31.03.2005)	70,00,501
Earning Per Share ( Basic / Diluted )	Rs (2.80)

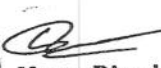
24. Schedule Nos. 1 to 19 form an integral part of the Balance Sheet and Profit & Loss Account.

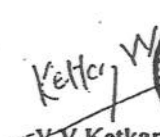
25. Previous year figures have been regrouped and re-cast wherever necessary.

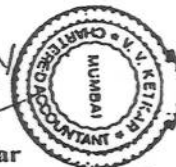
For Global Energy Limited

  
Harry Dhaul  
(Director)



  
Karan Dhaul  
(Director)

  
V V Ketkar  
(Chartered Accountant)  
Membership No 047388



Place : Mumbai

Date : 23<sup>rd</sup>. April 2006





ANNEXURE  
2(C) (C)

**GLOBAL ENERGY LIMITED**

**TWELVETH ANNUAL REPORT**

**2005-2006**

*Pratima*

# GLOBAL ENERGY LIMITED

C- 301, House of Lords, Opp. Mariott,  
Miramar, Panaji, Goa - 403001  
Tel : 0832 - 5643492, 5643491

## DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting their report with the audited accounts of your company for the year ended 31<sup>st</sup> March, 2006.

### FINANCIAL PERFORMANCE

The Annual Accounts accompanying this report are self explanatory and provides the overall picture of the financial operations during the year.

### DEVELOPMENTS

#### A. POWER GENERATION

The arbitration proceedings between your company and KPTCL has proceeded swiftly with the arbitrator acknowledging substantial investment made by your company, as well as enabling your company to sell power to third parties as per the provisions of the electricity act 2003 and subsequent subordinate legislation.

#### B. POWER TRADING

Global Energy Limited is now very active in the area of power trading and is in contact with a number of utilities in the country for sale and purchase of power on infirm and firm basis. It is trying to create a dynamic market for power by way of arbitrage of the supply demand mismatch in different regions and states of the country. It is also developing various mechanisms including financial and physical products for energy trading.

The company suffered a set back due to the delay in obtaining the final interstate trading license from CERC. However the company gained relief due to the orders of the Electricity Appellate Tribunal and started trading in January 2006 after being awarded the Tender for supply of electricity from the Electricity Department, Arunachal Pradesh. New inroads were made as the company added Assam state electricity board and The State of Uttar Pradesh to its list of customers.

GEL has been working on new business areas akin to its skill sets and expertise in power trading.

Having already traded approximately 200 million units of power in the country, GEL's past and present trading activities extend across all the five electricity regions in India. GEL is also the first trader to schedule power from a private producer (Tata Power) to customers in other regions in a single transaction (Tripura to Haryana). Some of our important customers are, Haryana Vidyut Prasaran Nigam Ltd, Tripura Power Department, Goa Electricity Department, Delhi Transco Ltd, Kerala State Electricity Board, Tata Power Company etc.

*Handwritten signature*

*Handwritten mark*



# GLOBAL ENERGY LIMITED

C- 301, House of Lords, Opp. Marriott,  
Miramar, Panaji, Goa - 403001  
Tel : 0832 - 5643492, 5643491

## DIRECTORS

Shri. Harry Dhaul  
Shri. Laxmi Dhaul  
Shri. Mikhall Dhaul  
Shri. Karan Dhaul  
Shri. Maj (Gen) N S Pathania (Rtd)

## BANKERS

ICICI BANK LTD.  
CITI BANK NA  
HDFC BANK

## AUDITORS

V V Ketkar  
Chartered Accountant  
110, Hindu Colony, Dadar,  
Mumbai - 400014

## REGISTERED OFFICE

C- 301, House of Lords, Opp.  
Mariott, Miramar, Panaji,  
GOA - 403001  
Tel : 0832 : 5643492, 5643491

## Administrative Office

22, Rakhi Mahal,  
Dinshaw Vacha Road,  
Churchgate,  
Mumbai - 400020.

Gessco Corporate Centre  
70, Nehru Place, New Delhi

A - 206, Admiralty Square,  
# 79, 6<sup>th</sup> Main, 13<sup>th</sup> Cross,  
Bangalore

## POWER PLANT

Village : Belgundi,  
District : Belgaum 591108.

*Boonam*

# GLOBAL ENERGY LIMITED

C- 301, House of Lords, Opp. Marlott,  
Miramar, Panaji, Goa - 403001  
Tel : 0832 - 5643492, 5643491

## NOTICE

Shorter Notice is hereby given that the Annual General Meeting of the members of Global Energy Ltd. will be held on Tuesday, the 23<sup>rd</sup> of November, 2006 at 11:00 am at the Registered office C- 301, House of Lords, Opp. Marlott Miramar, Panaji, Goa 403001 to transact the following business:

### Ordinary Business

1. To resolve, consider, adopt the Audited Balance Sheet as at 31.03.2006 and the reports of Director's and Auditors thereon.
2. To appoint a Director in place of Shri. Harry Dhaul Who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint M/s. V V Ketkar Chartered Accountant to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD  
For GLOBAL ENERGY LIMITED

Harry Dhaul  
Chairman

Place : Mumbai

Date : 2nd, November, 2006

*H. D. Sainani*

## DIRECTORS

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the company Mr. Harry Dhaul shall retire at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

## AUDITORS

Your Company's statutory Auditors, Shri V V Kelkar, Chartered Accountant retire at the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if reappointed.

The Notes on Accounts appearing in Schedule 17 and referred to in the Auditor Report are self-explanatory and therefore do not call for any further comments or explanations.

## AUDIT COMMITTEE

The Audit Committee is a sub-committee of the board whose responsibility include:

- Reviewing the interim and full year accounts and results announcements of the company and other formal announcement relating to the company's financial performance and recommending them to the board for approval.

- Reviewing the group's systems for internal financial control and risk management:

- Monitoring and reviewing the effectiveness of the company's internal audit function and considering regular reports from internal audit on internal financial controls and risk management.

- Considering the appointment of the external auditors; overseeing the process for their selection and making recommendations to the board in relation to their appointment (to be put to shareholders for approval at a general meeting);

- Monitoring and reviewing the effectiveness and independence of the external auditors agreeing the nature and scope of their audit, their remuneration, and considering their reports on the company's accounts and systems of internal financial control and risk management.

*[Signature]*

*[Initials]*

# GLOBAL ENERGY LIMITED

C- 301, House of Lords, Opp. Mariott,  
Miramar, Panaji, Goa - 403001  
Tel : 0832 - 5643492, 5643491

## Composition of the Audit Committee.

The Chairman of the audit committee is Mrs. Laxmi Dhaul. The other member of the Audit Committee are Mr. Mikhall Dhaul and Mr Karan Dhaul.

The Audit Committee met four times during the financial year ended 31<sup>st</sup> March, 2006

## FIXED DEPOSITS

The company has not accepted any Fixed Deposits during the year under report.

## DIVIDEND

Your directors do not recommend any dividend for year ended 31 March, 2006.

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

The particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particular in Report of the Board of Directors) Rules 1988 relating to the conservation of energy and technology absorption are given hereunder:

1. Conservation of Energy : Not Applicable
2. Technology absorption : Not Applicable
3. Total Foreign Exchange earnings and Outgo

- o Total foreign exchange earning : Rs. Nil
- o Total foreign exchange outgo : Rs. Nil

## PARTICULARS OF EMPLOYEES

Particulars of employees as required u/s 217 (2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended to date are not applicable to the company as there was no employee in receipt of the prescribed remuneration.

*Signature*

**DIRECTORS RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

The Directors believe that the financial statements for the period ended 31<sup>st</sup> March 2006, are in full conformity with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India and the same have been prepared on a going concern basis.

The directors of Global Energy Limited accept the responsibility for the integrity and objectivity of the financial statements, as reflected through the consistent application of the Accounting Policies to the best of their knowledge.

The directors believe to the best of their knowledge that the financial statements reflect fairly the form and substance of the transaction concluded and reasonably present the company's financial condition and true and fair view of the results of the preliminary operations for the year and the state of affairs of the business as at 31<sup>st</sup> March 2006.

To the best of our knowledge the statutory auditors have conducted comprehensive audits to provide reasonable assurance that the established policies and the procedures of the company have been followed for safeguarding the assets.

The financial statements have been audited by M/s V V Ketkar, Chartered Accountants, the Statutory Auditors of the Company.

**Acknowledgment**

Your directors also wish to place on record their gratitude for the valuable assistance and co-operation extended to the company by its employees, strategic partners, and bankers for their continued support.

For & On behalf of the Board

  
Harry Dhaul  
Chairman

Place :  
Date 21/11/06



V V Ketkar  
Chartered Accountant  
110, Hindu Colony, Dadar, Mumbai 400014  
Phone 24152449

## AUDIT REPORT

To,

THE MEMBERS OF

GLOBAL ENERGY LIMITED

- 1) We have audited the attached Balance Sheet of Global Energy Ltd. As at 31<sup>st</sup> March, 2006 and also the Profit and loss Account for the year on the date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Sub section. (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
- 4) Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. In our opinion proper books of accounts as required by law have been kept by the company, so far as appears from our examination of these books.
  - iii. The Balance Sheet, Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the companies Act, 1956
  - v. On the basis of the written representation received from the directors, as on 31<sup>st</sup> March 2006 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31<sup>st</sup> March 2006 from being appointed as a directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

*V V Ketkar*



V V Ketkar  
Chartered Accountant  
110, Hindu Colony, Dadar, Mumbai 400014  
Phone 30928030

vi.

In our opinion and to the best of our information and according to the explanation given to us, the said accounts, read-together with the significant Accounting policies and notes appearing thereon as contained in Schedule 19, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

A. In the case of the Balance Sheet of the State of affairs of the Company as at 31<sup>st</sup> March 2006,

B. In the case of the Profit and loss Account, of the loss for the year ended on that date.

*Ketkar VV*  
✓ V V Ketkar  
Chartered Accountant  
Membership No 047377

Place: Mumbai

Date: 23.11.2006

*For Chairman*

V V Ketkar  
Chartered Accountant  
110, Hindu Colony, Dadar, Mumbai 400014  
Phone 30928030

**ANNEXURE TO THE AUDITORS' REPORT**  
(Referred to in Paragraph 3 of our Report of even date)

1. The Company has maintained proper records to show full particulars, including quantitative details and situation of the fixed assets.
2. All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
3. As explained to us, the company has not disposed off a major or any part of plant and machinery during the year.
4. As explained to us, the inventory has been physically verified by the management. According to the information and explanations given to us, we are of the opinion, the frequency of the verification is reasonable.
5. In our opinion, the procedure of the physical verification of the inventories followed by the company are reasonable and adequate in relation to the size of the company and the nature of its business.
6. The company is maintaining proper records of inventory. No discrepancies are noticed on verification between the physical stocks and the book records.
7. The Company has taken secured or unsecured loans from any Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 as per details given below. The Company has not paid any interest on these loans and these loans not prejudicial to interest of the Company.

Name of the Entity (Rs.)	Loan taken during the year (Rs.)	Loan Repaid During the year (Rs.)	Maximum Outstanding during the year (Rs.)	Balance during
Mrs. Harry Dhaul	5,00,000	Nil	5,00,000	
Pali Dhaul	Nil	2,00,000	6,50,000	

8. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct weakness in internal controls.
9. Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.

*Handwritten signature*

**V V Ketkar**  
**Chartered Accountant**  
 110, Hindu Colony, Dadar, Mumbai 400014  
 Phone. 24152449

10. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the values of Rupees Five lacs only in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except the transactions which are unique in nature. Following are the transactions -

Sr No.	Name of the Party	Nature of Transaction	Amount (Rs.)
1	Energy Environment Foundation of India (EEFI) (IPPAI) Mutual Benefit Society	Expenses incurred by reporting enterprise on behalf of the Party.	17,83,986
2	India Electron Exchange	Revenue booked for consultancy fees	85,20,000

11. The company has not accepted deposits from public under section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
12. In our opinion, the company has an adequate system of internal audit commensurate with size and nature of its business.
13. The Company has not maintained any Books of Accounts pursuant to the rules made by the Central Government for the maintenance of Cost Records under section 209(1) (d) of the Companies Act, 1956 as the same are not prescribed for the trading activity and for the generation activity the company has not maintained the same.
14. According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Protection Fund, Education Protection Fund, Sales Tax, Wealth Tax, Custom Duty, Cess except Income Tax Deducted at source (TDS) under the provisions of The Income Tax Act 1961.
15. According to the information and explanation given to us, there are undisputed amount payable in respect of Income tax, Wealth Tax, Custom Duty and Excise Duty, Cess which were outstanding as at 31<sup>st</sup> March 2006 for a period of more than six months, from the date they became payable namely delays in payment of Income Tax Deducted at source the details of which are given below -

Nature of Payment	Amount Due (Rs.)	Date of payment
Contractors	40,693	14-11-2006
Professional Fees	1,66,030	14-11-2006
Rent	51,002	14-11-2006

(The above amount has been paid and does not include the interest on delayed payments).

16. The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.

*Boothman*

V V Ketkar  
Chartered Accountant  
110, Hindu Colony, Dadar, Mumbai 400014  
Phone 24752449

17. The Company has taken loans from banks and there are no default on account of repayment of principal and interest.
18. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
19. The Company is not dealing in or trading in shares securities debentures and other investments accordingly the provisions of clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
20. The Company has given guarantees for the loans taken by others, from banks or financial institutions, the terms and conditions of which are not prejudicial to the interest of the Company.
21. The company has not raised any terms loans from banks during the year. Accordingly the provisions of clause 4 (xvi) of the companies (Auditors Report) Order, 2003 are not applicable to the company.
22. During the year the Company raised long term sources of funds and the loans were applied for the purpose for which they were obtained. The company did not raise short term funds during the year.
23. The company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Act.
24. During the period covered by the audit report, the company has not issued any debentures during the year.
25. The company has not raised any money by way of public issue.
26. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

V V Ketkar  
Chartered Accountant  
Mem No 047388

Place: Mumbai  
Date: 23.11.2006

*B. S. Bhatnagar*

# GLOBAL ENERGY LIMITED

## Balance Sheet Abstract and Company's General Business Profile (Part IV)

### I. Registration Details

Registration No.  
State Code.  
Balance Sheet Date

### II. Capital Raised during the year ended 31st March, 2006 (Rs. In thousands)

Public Issue  
Rights Issue  
Bonus Issue  
Private Placement  
Others (against share application money)

### III. Position of Mobilisation and Deployment of funds as at 31st March, 2006

Total Liabilities

Total Assets

#### Sources of funds

Paid up Capital  
Reserves & Surplus  
Share Application Money  
Secured Loans  
Unsecured Loans  
Deferred Tax Liability

#### Application of Funds

Net Fixed Assets  
Investments  
Net Current Assets  
Miscellaneous Expenditure  
Deferred Tax Assets

### IV. Performance of the Company for year Ended 31st March, 2006

- Turnover (Income from Operations and other income)
- Total Expenditure
- Profit before Tax
- Profit after Tax
- Earning per Share (in Rs.)
- Dividend Rate%

### V. Products of the Company

Item Code No.(ITC Code)

Product Description

#### Notes:

(1) The above particulars should be read alongwith the Balance Sheet as at 31st March, 2006 the Profit & Loss Account for the year on that date and the Schedules forming part thereof.

As per our attached Report of even date

V.V. Kulkarni  
Chartered Accountant

Place: Mumbai

Date: 23-11-2006



For and on behalf of the Board

Harry Dhaul  
Director

Laxmi Dhaul  
Director

1663  
24  
31.03.2006

Nil  
Nil  
Nil  
Nil  
79,090

Rupees in thousands

251,329

251,329

149,095  
67,134  
22,733  
10,065  
2,302.00

251,329

212,182

(33,031)  
826  
1,352  
251,329

12,342  
24,055  
-11,713  
(11,963)  
(0.80)

Generation of Electricity & Trading in Electricity



# GLOBAL ENERGY LIMITED

## Balance Sheet As At 31 st. March 2006

Schedule No.	As at 31st. March, 2006	As at 31st. March, 2005
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### I SOURCES OF FUNDS

#### SHARE HOLDERS FUNDS

- a) Share Capital
- b) Reserves & Surplus
- c) Share Application Money

#### LOAN FUNDS

- a) Secured Loans
- b) Unsecured Loans

#### DEFERED TAX LIABILITY

#### TOTAL

1	149,095,010.00	70,005,010.00
2	67,134,142.54	78,690,962.57
	22,732,667.70	102,613,340.70
3	10,065,149.25	11,621,882.64
4	2,302,000.00	1,917,000.00
	<u>251,328,969.49</u>	<u>264,848,195.91</u>

### II APPLICATION OF FUNDS

#### FIXED ASSETS

- Gross Block
- Less: Depreciation
- Net Block

#### INVESTMENTS

#### CURRENT ASSETS, LOANS & ADVANCES

- a) Cash & Bank Balances
- b) Sundry Debtors
- c) Inventories
- e) Loans & Advances

#### Less: CURRENT LIABILITIES & PROVISIONS

#### NET CURRENT ASSETS

#### DEFERRED TAX ASSET

#### MISCELLANEOUS EXPENDITURE

#### TOTAL

5

	325,741,172.27	323,335,538.27
	43,559,546.39	31,248,716.39
	<u>282,181,625.88</u>	<u>292,086,821.88</u>

6

7

8

9

10

19

	9,200,995.15	4,711,229.51
	27,612,857.36	18,174,506.59
	45,600.00	200,782.91
	17,813,369.76	21,011,093.86
	<u>54,672,822.27</u>	<u>44,097,612.87</u>
	87,703,332.45	73,205,219.63
	(33,030,510.18)	(29,107,606.76)
	1,352,112.79	945,764.79
	825,741.00	923,216.00
	<u>251,328,969.49</u>	<u>264,848,195.91</u>

Significant Accounting Policies & Notes to Accounts

For and on Behalf of Board of Directors

*Ketkar V*  
V V Ketkar  
Chartered Accountant  
M. No. 047388

Harry Dhaul

Laxmi Dhaul

Date: \_\_\_\_\_

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# GLOBAL ENERGY LIMITED

Profit & Loss Account for the year ended 31st. March, 2006

	Schedule No.	As at 31st. March, 2006	As at 31st. March, 2005
<b>I INCOME</b>			
Income from Operations	11	2,048,121.99	9,356,737.59
Sale of Electricity	12	10,293,385.70	7,969,672.19
Other Income			
<b>TOTAL</b>		<b>12,341,507.69</b>	<b>17,326,409.78</b>
<b>II EXPENDITURE</b>			
Power Plant Consumption	13	155,182.91	256,305.00
Power Plant Direct Expenses	14	263,857.00	1,028,465.70
Personnel Expenses	15	721,833.50	1,688,126.50
Operating Expenses	16	5,481,336.59	5,993,839.80
Selling & Administration Charges	17	4,406,806.85	14,850,693.55
Interest & Financial Charges	18	499,113.87	772,868.08
Rac Fees		3,000.00	17,379.00
Auditors Remuneration		112,240.00	75,000.00
Depreciation		12,310,830.00	12,415,402.39
Preliminary Expenses W/off		97,475.00	97,475.00
<b>TOTAL</b>		<b>24,054,675.72</b>	<b>37,197,605.02</b>
Profit / (Loss) Before Tax		(11,713,168.03)	(19,871,195.24)
Less: Provision for FBT		250,000.00	
Profit / (Loss) after Tax		(11,963,168.03)	(19,871,195.24)
Add / (Less) : Deferred Tax Income / Expense		406,348.00	3,424,373.79
Add: Opening Balance		(11,556,820.03)	(16,446,821.45)
		(11,309,037.43)	5,137,784.02
		(22,865,857.46)	(11,309,037.43)
		(22,865,857.46)	(11,309,037.43)
Balance carried over to Balance Sheet			
Significant Accounting Policies & Notes to Accounts			

*Ketkar W*  
V V Ketkar  
Chartered Accountant  
M. No. 047388  
Date: 23-11-2006  
Place: Mumbai



For and on behalf of Board of Directors  
*Harry Dhaul*  
Harry Dhaul  
*Laxmi Dhaul*  
Laxmi Dhaul

Date:  
Place: Mumbai

*Prasanna*

# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET

As at 31st. March, 2006	As at 31st. March, 2005
-------------------------	-------------------------

### Schedule 1: SHARE CAPITAL

Authorised Capital  
1,50,00,000 Equity Shares of Rs. 10/- each.  
(Previous Year 1,50,00,000 Equity Shares of Rs. 10/- each.)

Issued, Subscribed & Paid up Capital  
1,49,09,501 Equity Shares of Rs. 10/- each.  
(Previous Year : 70,00,501 Equity Shares)

150,00,000.00	150,00,000.00
149,095,010.00	70,005,010.00
149,095,010.00	70,005,010.00

### Schedule 2: RESERVES & SURPLUS

Share Premium  
Profit & Loss Account

90,00,000.00 (22,865,857.46)	90,00,000.00 (11,309,037.43)
67,134,142.54	78,690,962.57

### Schedule 3: SECURED LOANS

Third party  
(Secured against the immovable properties of the promoters)

Car Loans  
(Secured against hypotheciations of cars of the Company)

7,697,000.00	7,697,000.00
2,368,149.25	3,924,882.64
10,065,149.25	11,621,882.64

### Schedule 4: UNSECURED LOANS

from Director & Relatives  
Inter Corporate Deposit

2,302,000.00	1,350,000.00 567,000.00
2,302,000.00	1,917,000.00

H. S. S. S. S.



# GLOBAL ENERGY LIMITED

## Schedule 5: FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	Cost as on 01-Apr-05	Additions during the year	Cost as on 31-Mar-06	As on 01-Apr-05	Depreciation for the year	As on 31-Mar-06	W.D.V as on 31-Mar-06	W.D.V as on 31-Mar-05
Landhold Land	1,000,000.00		1,000,000.00				1,000,000.00	1,000,000.00
Power Plant	311,619,734.27		311,619,734.27	28,268,958.39	10,096,469.00	38,365,427.39	273,254,306.88	283,350,775.85
Computers	3,521,254.00		3,521,254.00	1,029,416.00	995,863.00	2,025,279.00	1,495,975.00	2,491,838.00
Office Equipment	964,010.00	211,249.00	1,175,259.00	201,879.00	171,127.00	373,006.00	802,253.00	762,131.00
Motor Car	5,758,053.00		5,758,053.00	1,740,229.00	1,040,214.00	2,780,443.00	2,977,610.00	4,017,824.00
Furniture & Fixtures	47,775.00		47,775.00	8,254.00	7,157.00	15,391.00	32,384.00	39,541.00
Office Renovation								
Capital WIP - TR Lines	424,712.00	2,194,385.00	2,194,385.00					
Grand Total	323,335,538.27	2,405,634.00	325,741,172.27	31,248,716.39	12,310,830.00	43,559,546.39	282,181,625.88	292,086,821.88
Previous Year	320,811,191.27	2,524,347.00	323,335,538.27	18,833,314.00	12,415,402.39	31,248,716.39	292,086,821.88	301,977,877.27



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# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET

### Schedule 6: CASH & BANK BALANCES

Cash in Hand  
Balances with Scheduled Banks in Current Account

As at 31st. March, 2006	As at 31st. March, 2005
5,306,267.50	3,809,343.75
3,894,727.65	901,885.76
<u>9,200,995.15</u>	<u>4,711,229.51</u>

### Schedule 7: SUNDRY DEBTORS

(Unsecured and considered good)  
more than six months  
Others

18,223,817.36	18,139,447.65
9,389,040.00	65,058.94
<u>27,612,857.36</u>	<u>18,174,506.59</u>

### Schedule 8: LOANS & ADVANCES

(Unsecured and considered good)  
Advances recoverable in cash or kind for the value to be received.

17,813,369.76	21,011,093.86
<u>17,813,369.76</u>	<u>21,011,093.86</u>

### Schedule 9: CURRENT LIABILITIES & PROVISIONS

Current Liabilities  
Sundry Creditors for Electricity  
Sundry Creditors for Expenses  
Other Liabilities

47,607,439.73	36,294,955.16
10,308,033.72	7,372,405.47
29,087,859.00	29,087,859.00
700,000.00	450,000.00
<u>87,703,332.45</u>	<u>73,205,219.63</u>

#### Provisions

Provision for Taxation

### Schedule 10: MISCELLANEOUS EXPENDITURE

(to the extent not written off)  
Preliminary Expenses  
Share Issue Expenses

Less: written off during the year

923,216.00	1,020,691.00
<u>923,216.00</u>	<u>1,020,691.00</u>
97,475.00	97,475.00
<u>825,741.00</u>	<u>923,216.00</u>

*H. Raman*



# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

### Schedule 11: INCOME FROM OPERATIONS

Sale of Power  
Less: Purchase of Power & Incidental Exps.

As at 31st. March, 2006	As at 31st. March, 2005
38,435,894.28	102,311,303.00
36,787,772.29	92,954,565.41
<u>1,648,121.99</u>	<u>9,356,737.59</u>

### Schedule 12: OTHER INCOME

Claims  
Compensation Received  
Miscellaneous Income  
Interest Income  
Sale of Scrap  
Insurance Claim recd.  
Consutancy Fees  
Discount Received

71,057,667.00	3,300,000.00
1,349.23	4,525,438.37
	3,301.82
	139,760.00
8,520,000.00	1,172.00
714,369.47	
<u>10,293,385.70</u>	<u>7,969,672.19</u>

### Schedule 13: POWER PLANT PURCHASES

Opening Stock  
Add: Purchases  
Less: Closing Stock

200,762.91	360,837.91
	96,250.00
200,762.91	457,087.91
45,600.00	200,762.91
<u>155,182.91</u>	<u>256,305.00</u>

### Schedule 14: POWER PLANT DIRECT EXPENSES

Consumables  
Wages  
Repairs & Maintenance  
Other Expenses

7,141.00	64,743.20
211,724.00	493,010.50
	13,841.00
44,992.00	456,871.00
<u>263,857.00</u>	<u>1,028,465.70</u>

### Schedule 15: PERSONNEL EXPENSES

Staff Salaries  
Directors Salary  
Staff Welfare

448,400.00	1,131,272.00
224,000.00	458,500.00
49,533.50	98,354.50
<u>721,933.50</u>	<u>1,688,126.50</u>

### Schedule 16: OPERATING EXPENSES

Telephone & Communication  
Electricity Charges  
Legal & Professional fees

876,055.09	1,842,945.65
221,986.00	526,619.15
4,386,235.50	3,626,325.00
<u>5,484,336.59</u>	<u>5,995,889.80</u>

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# GLOBAL ENERGY LIMITED

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

As at 31st. March, 2006

As at 31st. March, 2005

### Schedule 17: SELLING & ADMINISTRATION EXPENSES

Travelling & Conveyance  
Printing & Stationery  
Repairs & Maintenance  
Hotel & Guest House Expenses  
Advertisement & Sponsorship Expenses  
Computer & Data Processing Expenses  
Vehicle Running & Maintenance Expenses  
Office Rent  
Miscellaneous Expenses  
Cash Discount

792,116.56	7,968,564.72
141,922.00	270,453.60
944,136.85	2,451,447.60
258,925.75	612,447.35
173,127.00	206,028.00
47,389.00	3,537.00
308,954.54	885,902.15
715,000.00	2,182,761.00
296,613.51	269,552.13
726,621.64	

4,406,806.85	14,850,693.55
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### Schedule 18: INTEREST & FINANCIAL CHARGES

Bank Charges  
Interest on Loans

143,506.82	562,743.11
355,607.05	210,124.97

499,113.87	772,868.08
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*Handwritten signature*





# GLOBAL ENERGY LIMITED

## Schedule-19: Significant Accounting Policies and Note to Accounts:

### 1) Significant Accounting Policies:

#### 1. Accounting Convention:

The Accounts have been prepared under the historical cost convention on accrual basis in accordance with applicable accounting standards issued by Institute of Chartered Accountants of India and relevant provisions of The Companies Act, 1956 Accounting Policies are consistent with those used in the previous year.

The preparation of financial statements requires management to make Estimates and Assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingency assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the year reported. Actual results could differ from those of estimates. Any revision to accounting estimates is recognized in accordance with the requirement of the respective accounting standard.

#### 2. Revenue Recognition:

a. Revenue from the sale of power is recognized upon flow of power from one destination to the other destination and billing is based upon the readings provided by the Regional Load Dispatch Centre and Final Billing is done based upon the reading of the Regional Energy Accounts.

b. Other Income is accounted on accrual basis.

#### 3. Expenses are accounted on accrual basis.

#### 4. Fixed Assets:

Fixed Assets acquired are stated at cost of acquisition. Cost is inclusive of freight, installation, duties and other incidental expenditure. However, Power Plant as per the right to use agreement entered with Belgundi Cements Ltd. is recorded at value of the securities/deposit.

#### 5. Depreciation:

The Company has provided depreciation on Assets put to use, on pro-rata basis on the written down value method, at rates prescribed under schedule XIV of the Companies Act, 1956, except for depreciation on Power Plant.

Power plant acquired under the right to use agreement is depreciated on pro-rata basis using Straight Line Method, at rates prescribed in Appendix II of the resolution passed by Central Electricity Regulatory Commission (CERC) dated 29.03.2004 which came into effect from 1<sup>st</sup> April 2004.

#### 6. Inventories:

Raw Materials are valued at cost, except waste/ scrap which is valued at net realizable value.

#### 7. Miscellaneous Expenditure:

Preliminary expenditure is written off a period of 5 years on pro-rata basis.

*Prasanna*



# GLOBAL ENERGY LIMITED

## 8. Retirement Benefit:

The company has not made any provision for Gratuity as no employee has yet completed 5 years in the employment of the company.

## 9. Taxed on Income:

Provisions for Current Tax are made on the basis of estimated taxable income for the current accounting period and in accordance with provisions of the income Tax Act, 1961.

## 10. Material events occurring after the Balance Sheet are taken into cognizance. Accounting policies not referred to specifically otherwise are consistent with generally accepted principles.

## II) Notes to Accounts

### 1. Sale of Electricity:

During the year there is no income earned from Generation of Electricity.

### 2. Fixed Assets:

Fixed Assets include, Power Plant acquired by the Company from Belgundi Cement Ltd. on right to use basis for a period of 30 years beginning from November 1994 and is recorded at a value of Rs15 Crores being the securities issued by the Company of Rs12 Crores and the Balance is shown under the head of Current liabilities. Subsequently, an addition of Rs.7.91 Crores was invested by Belgundi Cements Ltd. and the promoters, during the period 1998-2000 and same was agreed to given on right to use basis. The consideration for this is reflected under share application for shares to be issued at par.

Based on opinion report taken by the Company with regard to assets acquired on right to use basis (leased assets), these assets are classified as fixed assets.

### 3. Depreciation - During the year the Company has provided depreciation on Power Plant, as required by the resolution passed by CERC dated 29.03.2004, effective from 01.04.2004. The rate of Depreciation specified in the Appendix II of the said circular is 3.6% p.a. on the straight-line basis on historical value less 10% residual value of the asset.

### 4. Deferred Tax :

Deferred Tax Income of Rs. 4,06,348 (Previous Year Rs. 34,24,373) for the current year has been credited to current year's profit. Deferred Tax Asset booked in the accounts is mainly because of timing difference in depreciation.

### 5. Estimated amount of contracts remaining to be executed in Capital Account - Not Ascertainable

### 6. Contingent Liabilities not provided in respect of:

	Current Year	Previous Year
(b) Claim against the company not acknowledged as debts Refer point---7	Rs. 483.73 Lacs	Rs. 92.27 Lacs

*Pratima*

## GLOBAL ENERGY LIMITED

7. Claims against the company not acknowledged as debts consist of the following:-

- (a) Claim filed by Goa Electricity Department against the Company for Rs. 255.78 lacs is not acknowledged by the company. However the company as a conservative accounting practices made a provision in its books to the extent of Rs. 236 lacs by not debiting the party since the matter is under dispute and is subjudice.
- (b) Claim of BSES Limited towards Capital Expenditure incurred on Power Plant at Belgundi, due to breach of contract by them. (Secured by Personal assets of Promoters.)

8. The Company has filed an arbitration against Karnataka Power Transmission Company Limited with regard to cancellation of Power Purchase Agreement. The matter is pending before the arbitrator.

9. The Company has filed an arbitration against Tripura State Electricity Corporation Limited for breach of its contractual obligation and the Company has filed a claim for compensation of Rs. 4.54 crores. The matter is pending before the arbitrator.

10. Payment to Auditors:

	Current Year	Previous Year
- Audit fees	Rs.1,00,000/-	Rs.75000
- Other Matters	Rs. NIL	Rs. NIL

11. In the opinion of the Board of Directors, the Current Assets, Loans & Advances are having the value at which they are stated in the Balance Sheet if realized in the ordinary course of business.

12. Certain assets and liabilities are subject to reconciliation and confirmation.

13. Unpaid overdue amount due on 31.03.2006 to small scale and/or ancillary Industrial supplies on account of principle amount is NIL (Previous Year Rs. Nil). This disclosure is based on the information available with the Company regarding status of the suppliers as defined under the "Interest on delayed payments on Small Scale and Ancillary Industrial Undertakings Act, 1993."

14. The promoters and associates have invested money on the capital assets of the company including BSES which has paid KPTCL 76.97 Lacs on behalf of the company

15. CALCULATION OF EARNING PER SHARE:-

Profit for the year	Rs. (1,15,56,820)
Weighted average no. of equity shares (Based on Paid up capital of Rs.14,90,95,010/- as on 31.03.2006)	1,49,09,501
Earning Per Share (Basic / Diluted)	Rs (0.78)

16. During the year the Company has incurred expenses on behalf of Independent Power Producers Association, a Mutual Benefit Society. The Company has debited IPPAI's account to the extent of Rs.17,83,986 towards the expenses.

17. During the year the Company entered into an agreement with India Electron Exchange Ltd. an associate Company for identifying and implementing measures for optimizing the energy input costs for clients of IEE and to enable IEE to minimizing additional costs on account of surcharge / levies applicable in wheeling power from third party source.

*Bohman*

Use of Imports on C.I. F. basis

Expenditure in foreign currencies  
availing Expenses (Rs. in lacs)

availing in Foreign Currencies

Managerial Remuneration

Details of Raw Material Consumption

(a) Raw Material Consumed  
(b) Imported & Indigenous  
Raw Material Consumption  
Imported  
Indigenous

Details of Licenced & installed Capacity,  
Production Stock & Turnover

Class of Goods

(1) Generation of Electricity

(i) Licenced Capacity

(ii) Installed Capacity

(iii) Production / Purchase

(iv) Stock at Commencement

(v) Turnover

(2) Trading of Electricity

(i) Licenced Capacity

(ii) Installed Capacity

(iii) Production / Purchase

(iv) Stock at Closure

(v) Turnover

Note: For Trading Activity

As at 31.03.2000

NIL

NIL

NIL

2.24

4.59

NIL

NIL

Qty. (M. Tonne)	Rupees (in lacs)	Qty. (M. Tonne)	Rupees (in lacs)
77.59	1.55	183	2.56

100%

1.55

100%

2.56

5 Megawatts  
5 Megawatts

NIL  
NIL  
NIL  
NIL

NIL  
NIL  
NIL  
NIL

5 Megawatts  
5 Megawatts

NIL  
NIL  
NIL  
NIL

NIL  
NIL  
NIL  
NIL

N.A.  
N.A.  
9151403.40 Kwh

NIL  
NIL  
9151403.40 Kwh

383.63  
NIL  
384.38

N.A.  
N.A.  
43.8502 Mill Units  
NIL  
43.7998 Mill Units  
NIL  
1023.11

864.4



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GLOBAL ENERGY LIMITED

Name of the Party	Harry Dhaui	Laxmi Dhaui	Karan Dhaui	Michael Dhaui	Pall Dhaui	Indian Electron Exchange Ltd.	IPPAL	(EEFI)	Mal Dhaui
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Relationship	Promoter, Shareholder & Managing Director	Promoter Shareholder & Director	Director	Director	Promoter & Shareholder	Associate Company	Director are trustee of the trust.	Promoter & Shareholder
--------------	---	---------------------------------	----------	----------	------------------------	-------------------	------------------------------------	------------------------

Nature																	
a)	Refund of share Application Money by reporting enterprise	Refund of share Application Money by reporting enterprise	Remuneration	Remuneration	Loan repaid by the reporting enterprise	Revenue booked by reporting Enterprise	Expenses incurred by reporting enterprise and debited to related party	Remuneration									
b)	Allocation of Shares	Allocation of Shares	Refund of share Application Money by reporting enterprise	Refund of share Application Money by reporting enterprise	Remuneration												
Loan received by reporting enterprise																	

Amount (Volume)	a)	651,170	74,824	124,000	100,000	200,000	8,520,000	1,763,888	35,000
	b)	50,000,000	28,090,000	32,308	32,370	15,000			
	c)	500,000							

Outstanding	N/A	N/A	NIL	NIL	NIL	10,738,529	635,094	
Amount Written off	No	No	No	No	No	No	No	No

Fig. Only current year transactions are disclosed. Apart from the above the following are related parties:

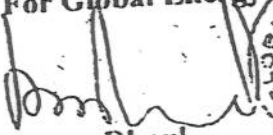
Name of the Party Relationship

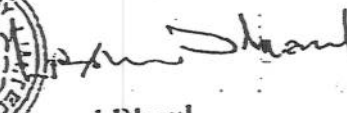
- 1) Belgund Cements Ltd. Associate Company
- 2) Transmed India Directors are partners in the firm

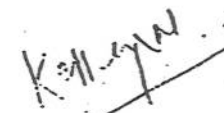
*Handwritten signature*

25. During the year the Associate Company Belgaundi Cement Private Ltd (BCPL) made an application to allot the shares to the Promoters of the Company namely Laxmi Dhaul and Harry Dhaul against the Share Application money of Rs. 7,90,90,000 standing to its credit in the books of accounts of the Company vide an agreement dated 16.03.2006 entered into between the Company, BCPL and Promoters of the Company. Based on the legal opinion obtained and subsequent to the Agreement the Company allotted Shares to the Promoters as below --  
 Harry Dhaul – Rs. 5,00,00,000 (50,00,000 Shares of Rs. 10 each)  
 Laxmi Dhaul Rs. 2,90,90,000 (29,09,000 shares of Rs. 10 each)
26. Schedule Nos. 1 to 19 form an integral part of the Balance Sheet and Profit & Loss Account.
27. Previous years' figures have been regrouped and recast wherever necessary
28. Previous year figures have been regrouped and re-cast wherever necessary.

For Global Energy Limited

  
 Harry Dhaul  
 (Director)

  
 Laxmi Dhaul  
 (Director)

  
 V V Ketkar  
 (Chartered Accountant)  
 Membership No 047388

Place : Mumbai

Date : 23-11-2006





## ANNEXURE 3

No.DC./Cir.3(1)/PAN Allot./99-2000

Office of the  
Deputy Commissioner of Income-  
Circle-3(1), R.No.582,  
Aayekar Bhavan, M.K.Road,  
Mumbai - 400 020.

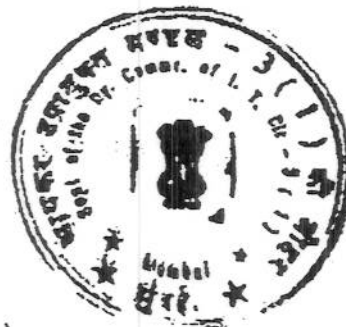
Dts: 8th July, 1999

The Principal Officer,  
M/s. Global Energy Limited,  
22, Rakhi Mahal,  
Dinshaw Waccha Road,  
Churchgate,  
Mumbai - 400 020.  
Sir,

Sub: Allotment of PAN - reg.

With reference to your application filed in this charge  
for PAN, please note that your PAN is AAACE8058K.  
You are requested to quote your PAN as well as GIR No. in all  
future correspondence.

Yours faithfully,



*J. Rastogi*  
(S. K. RASTOGI)  
Dy, CIT CIR-3 (1) MUMBAI

*K. Rastogi*

**GLOBAL ENERGY LIMITED - ORGANISATION**

**Global Energy Limited (GEL)** has the necessary organisational capabilities to efficiently carry out activities related to generation and trading of power. GEL has adequate office infrastructure at the plant location as well as important metropolitan locations in the country, with state-of-the-art communication facilities, computer systems and support personnel. GEL boasts of a young and energetic core team with enormous knowledge of the power sector and all aspects of power generation and trading together with related experience. Having been involved in their individual capacities and areas of expertise for substantial period of time, GEL's senior executives have a deep understanding of the dynamics of the electricity market environment and its trends. The ability to respond quickly to market situations enables GEL to maximise productivity and offer workable real-time solutions to customers.

The core management team consists of:

**Harry Dhaul**

*Chief Knowledge Officer*

Mr. Harry Dhaul, with over 25 years of experience in the power and infrastructure sectors, is the chief advisor to GEL, guiding the management on key operational and strategic matters. Harry Dhaul is the Director General of Independent Power Producers Association of India, an independent non-profit organisation providing a neutral forum for discussion and examination of policy and regulatory issues, critical to development of the infrastructure sectors, especially power, oil and gas. Under his leadership, IPPAI, over the last ten years, has conducted over 100 workshops, round tables, summits and international conferences. He has held various positions on Government Committees and has been appointed as Consultant/Advisor by the Ministry of Power, Planning Commission and other Regulatory bodies etc. He has travelled widely and has been invited as a speaker at various national and international forums.

**Maj. Gen.(Retd.) N.S.Pathania, AVSM,VSM**

*Managing Director*

Maj. Gen. Pathania (Retd.) is the Managing Director of GEL. After serving the nation for over 38 years while in the Indian Army, he joined GEL, primarily looking after the Power Trading operations. Gen.Pathania has vast experience in dealing with cross cultural sections of society along with in-depth knowledge of even the remotest areas of the country. He has unparalleled management expertise.

*N.S. Pathania*

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### **Mikhail Dhaul**

*Director*

A Graduate in Commerce, Mikhail holds the key management responsibility for GEL's Power Generation and Power Trading operations. His areas of expertise cover installation, testing, commissioning and operation of thermal generation stations. He has also been involved in the contractual arrangements for the sale of power from GEL's power station, statutory clearances thereof and all activities related to the grid connectivity of the station. Besides overseeing the operations of GEL's power plant, he takes an active role in market development and liaison with state power utilities, generators, industrial consumers etc.

### **Karan Dhaul**

*Director – Business Development*

A graduate in Economics, Karan spearheads the business development initiative at GEL. He is primarily involved in identification of markets, sales strategy and campaign management, contractual negotiations. Additionally, all technology functions of GEL are controlled by him.

### **Unni Viswanathan**

*Director – Operations*

Unni is a graduate in Commerce, with 17 years of diversified experience in Customer Relationship Management, Finance, Accounting, Credit Management, Management Information Systems, Business Development, Marketing and Corporate Planning. He has good understanding of the dynamics of the electricity market environment and trends, regulatory and policy environment. His responsibilities at GEL include the business development strategy for power trading, negotiating and executing transactions for power purchases, sales and agreements with various state governments / power utilities, coordinating marketing activity to ensure physical feasibility given load requirements and transmission restrictions, electricity pricing and risk management etc. He is also responsible for policy analysis and strategic planning as well as the entire back office operation, including customer relationship management, client servicing and marketing support.

### **V Suresh**

*Director – Commercial*

Suresh, a commerce graduate, has over 12 years of experience, primarily in the power sector. An employee of GEL since inception, he has extensive experience in power trading activities. He has an excellent personal contact base in the Power Industry, especially in the state utilities, regulatory and governmental bodies, central and state transmission utilities, public and private sector enterprises etc. His area of expertise covers system operations

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188

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and commercial negotiations for bilateral exchanges of power, and formulating commercial contractual terms and conditions. He handles all commercial aspects of trading, pursuance of contractual obligations, billing and energy accounting. He also interacts with concerned CTUs, STUs, and Load Despatch Centres for all related matters.

### **Viswa Bandhu Agarwal**

*Finance Controller*

Qualified Finance professional, B.Com, FCA, with over 25 years' experience in finance and accounting, financial analysis and modelling, managing multi-project cash and fund flows, MIS, budgeting and statutory audit. He has worked with various organizations as a senior executive, auditor and consultant. He handles financial management and planning, internal audits and accounts finalisation, statutory and tax audit, tax planning, liaison with banks and financial institutions etc.

### **Shiv Kumar Trikha**

*General Manager – Technical*

An Electrical Engineer with close to 50 years of experience, Shiv is a veteran in the Power sector. He has immense experience in transmission systems, setting up and operating thermal power plants etc. He has received advanced training in Thermal Generation stations and HT/LT transmission systems. His previous work experience covers both Government and Private sectors, having been employed with Punjab State Electricity Board, Usha Ispat Limited etc in thermal generation projects. During his long career with Punjab State Electricity Board, he has also been involved in the erection and maintenance of transmission lines, sub-stations, distribution sub-stations, maintenance of 66KV sub-stations etc. He supervises all aspects of GEL's generation division, apart from system operations.

*Bozamani*

Approach & Methodology

GEL and its associate companies are in reality, the first private power traders in the country, having traded power as early as 1986 through the "wheeling & banking" scheme of the Government of Karnataka. GEL has already conducted trades of over 400 million units of power across all the five electricity regions in India. GEL is the first trader to schedule power from an embedded private power producer to customers in other regions and also holds the distinction of having scheduled power through all the five electricity regions in a single transaction.

Global Energy Limited (GEL) understands and appreciates the fact that efficient execution of electricity trading in a competitive environment will ultimately benefit consumers. In the spirit of the open access regime brought about by the Electricity Act, 2003 and subsequent CERC & SERC regulations, GEL shall strive to offer consumers the choice of seller and price. GEL's endeavour shall be to facilitate trading of quality power at the least possible price, by creating a network of buyers and sellers across the country. GEL aims to be a one-stop source for any generator / utility / consumer wanting to buy / sell power in the country and contribute to the evolution of a robust and competitive electricity market in India.

GEL shall focus primarily on supplying to deficit customers in the state, to address seasonal and regional variance of demand and supply. GEL shall attempt to minimise off-take risks of selling systems by sourcing alternate/default buyers. GEL shall endeavour to aggregate surplus capacities of small & medium power generation units in order to establish a sustainable trading system, which allows for purchase and supply of power at 'true' market prices. GEL's trading activities shall be through appropriate secure commercial contracts, with necessary financial security mechanisms to minimise risk to both buyers and sellers.

Over and above existing facilities, GEL shall develop internal systems for market research, forecasting and management like load forecasting, load management, weather based load curve estimation, risk mitigation etc. By effectively deploying such systems, GEL aims to anticipate future demand / supply mismatches and fulfil customer requirements.

GEL already has a fully functional trading desk and the necessary organisational capabilities to efficiently carry out activities related to the trading of power, with adequate office infrastructure with state-of-the-art communication facilities, computer systems and support personnel. The Delhi operations shall be coordinated from GEL's office and control room in New Delhi. While GEL currently has the requisite infrastructure and personnel to



carry out trading activities efficiently, all incremental support system, manpower and infrastructure requirements shall be dealt with as per need.

GEL aims to commence intra-state trading operations in Delhi by tying up contracts to the extent of 35MW round the clock. This surplus is expected to be available for a period of 3-4 months in the current financial year as well as subsequent years. The quantum of power available is expected to increase marginally at 10% per annum over the subsequent 5 years.

Projections of the estimated quantum of power to be traded are given in the table below:

<b>Global Energy Ltd - Delhi Intrastate Power Trading</b> <b>Projected quantum of power</b>							
Description	Unit	Year-1	Year-2	Year-3	Year-4	Year-5	
Expected Trading Volume	MW	35	39	42	47	51	
Available Hours Per Annum For Trading	Hours	8760	8760	8760	8760	8760	
Expected Availability Of Trading Volume	%	25%	25%	25%	25%	25%	
Expected Trading Hours Per Annum	Hours	2190	2190	2190	2190	2190	
Expected Trading Units	Mill. Units	76.65	84.32	92.75	102.02	112.22	

<b>Assumptions used above:</b>			
Descriptions		Unit	Value
Expected Trading Volume	YEAR 1	MW	35
Available Hours Per Annum For Trading		Hours	8760
Expected Trading (% of Available Hours)	YEAR 1-5	%	25%
Increase in Availability of Trading Volume	YEAR 2-5	%	10

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*Bohannan*



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MEMORANDUM AND ARTICLES  
OF ASSOCIATION  
OF  
GLOBAL ENERGY LIMITED

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For Global Energy Limited  
*[Signature]*  
Company Secretary

*[Signature]*

**THE COMPANIES ACT, 1956**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**GLOBAL ENERGY LIMITED**

- I. The name of the Company is GLOBAL ENERGY LIMITED.
- II. The registered office of the Company will be situated in the State of Goa.
- III. The objects for which the Company is established are :-
  - A. MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:
    1. To establish and carry on the businesses of generators, suppliers, processors, accumulators, distributors, transmitters, traders, converters of and dealers in, and the sale and purchase of electricity and electrical energy in any form and by any process and in any fuels, derivatives or by-products connected with or related to the generation and supply of electrical energy including coal and gas and for these purposes to establish, operate and maintain rehabilitate and transfer generating stations, sub-stations, buildings, plant of every description including transformers, switch gear, cables and other equipment and to manufacture and produce, trade and deal in appliances, machinery and accessories used in connection with such businesses or any of them or any inventions or patents for the production, transmission or accumulation of electricity or electric motive force and to lay, fix and maintain cables, wires, lines, accumulators and works under in or over towns, streets and places public and private, enter into demand

*H. Bragança*

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For Global Energy Limited  
*[Signature]*  
Company Secretary

*H. Bragança*

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side management contracts, energy conservation contracts including energy performance contracts, megawatt contracts, enter into contracts for conversion of waste into energy and co-generation of energy in accordance with the provisions of the Indian Electricity Act, 1910 and/or Electricity (Supply) Act, 1948 or any statutory modifications or re-enactment thereof and rules made thereunder, and to do all acts and things necessary or required for doing the aforesaid business.

B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE :

2. To plan, locate, design, establish, build, construct, equip, operate, administer, maintain, service, alter, replace, pull down and remove, and carry out works in respect of any electricity generating station all assets employed on any electricity generation or transmission system and on any distribution or supply system, generating sets, sub-station, transformer station, pumping station, fuel processing facility, building, plant, equipment, electric main works and any facilities ancillary to the operation or use of the aforesaid or any of them including production, treatment, processing, conversion, loading and storage facilities (including enrichment facilities and waste-storage facilities and underground and offshore storage facilities), factories, refineries, buildings (including those which are part of combined heat and power schemes), structures, showrooms, offices, works, warehouses, plants, platforms, derricks, transmission towers or pylons, rigs, wind structures, dams and associated structures, testing sites, offshore wave structures, installations (including without limitation coal, gas, steam, solar power and geothermal installations), depots, distribution stations, laboratories, research station, terminals, reservoirs, water courses, tunnels, airports and facilities and structures of all kinds, whether for the purposes of the Company or for sale, letting or hire to, or in return for any consideration from any company, firm or person, and to procure the clearance of sites for the same, and to contribute to or assist in or carry out any part of any such operation, and to purchase or otherwise acquire, lease, charter, and take or let on hire any of the same, and to contribute to, or assist in, or carry out any part of, any operation in respect of the same and to acquire, operate and maintain the licences, consents, authorisations, easements and other rights capable or possibly capable of facilitating the aforesaid.
3. To plan, locate, design, establish, build, construct, equip, operate, make, lay, place, use, administer, manager and maintain, service, improve, inspect, enlarge, alter, protect, develop,

*B. Ratnam*

*B. Ratnam*

extend, repair, replace, refurbish, pull down and remove, and to carry on works, in respect of, electric wires (including those overhead and underground), cables, lines, plant and equipment and facilities ancillary to the operation or use of an electricity transmission system or distribution system, and to acquire, operate and maintain the licences, consents, authorisations, easements and other rights capable or possibly capable of facilitating the aforesaid.

4. To acquire (whether by purchase, lease, concession, grant, hire or otherwise), establish, develop, exploit, operate and maintain land, airspace, foreshore, claims, wells, mines, licences, consents or authorisations, concessions, drilling and mining rights exploration and production rights, and rights and interests of all descriptions in or relating to the same, which may seem to the Company capable or possibly capable of affording or facilitating the procurement, purchase, generation, supply, distribution, transformation, conversion, transmission, production, manufacture, processing, development, storing, carrying, import and export of, or dealing in, electricity and any products or by-products derived from or connected with any such activity (including without limitation gas and steam) or of affording a supply of natural or other gas, petroleum or other hydrocarbons, coal, oil and other minerals, heat, steam, solar, tidal, hydro, wind, wave, geothermal, biological and all other forms of energy, or of chemicals.
5. To install in any premises or place and to operate, use, inspect, maintain, service, repair, replace, refurbish and remove meters or other devices and so on for assessing the quantity and/or quality of supplies of electricity, gas and other substances and forms of energy and for other purposes connected with such supplies.
6. To do anything that an electricity generator, electricity distributor, electricity supplier or electricity transmitter is empowered, enabled or required to do under or by virtue of, or under licence or exemption granted under any enactment or statutory instrument.
7. To carry on all or any of the businesses of procurers, suppliers, distributors, designers, developers, manufacturers, installers, fitters, repairers, maintainers, importers and exporters of, and dealers in, electrical appliances, household equipment and fittings, electrical plant and machinery, material handling equipments and all kinds of goods, equipment, fittings, machinery, materials and installations connected with the generation, transformation, transmission, supply, and use of electricity for domestic, industrial, commercial or other purposes, or with the conversion of electricity and other forms of energy.

*H. S. Saman*

*H. S. Saman*  
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8. To carry on all or any businesses of inspectors, maintainers, repairers, reconditioners, servicers, coaters, designers, developers, manufacturers, constructors, installers, layers, fitters, hirer, letters on hire, suppliers, distributors, importers and exporters of, and dealers in, generating station, sub-station and transformer station plant and equipment, transmission lines and cables, distribution lines and cables, pipes and pipelines, equipment ancillary to the operation and use of generating stations, transmission and distribution lines and cables, pipes, pipelines and any other conducting media, pylons, platforms, tunnels, overhead wires and electricity poles, dams and associated structures, wind stations (including wind "farms"), solar power and geothermal structures, tidal and wave power structures, platforms derricks, rigs, terminals, and facilities of all kinds, tools and machinery, technical, engineering and other equipment, plant, components, accessories and supplies of every description.
9. To carry on all or any of the businesses of consultants, advisers and suppliers of management, personnel and training services, whether generally or in respect of one or more of the types of businesses or activity which the Company or any company of which the Company is a member or which is in any manner controlled by or connected with the Company has power to carry on and to provide training and educational courses, instruction and of the company or of any company of which the company is a member or which is in any manner controlled by or connected with the company and for other persons.
10. To carry on business as inventors, researchers and developers, to conduct, promote and commission research and development in connection with the activities of the Company and its subsidiaries to establish and maintain research stations, laboratories, workshops, testing and proving grounds, facilities, establishments and installations and to exploit and turn to account the results of any research and development carried out by or for it for furtherance of main objects.
11. To invent, design, develop, construct, manufacture, produce, erect, assemble, test, alter, install, maintain, improve, manipulate, repair, renovate, refurbish, recondition, utilise, operate, manage, purchase, prepare for market, sell, hire, hire out, import, export, supply and otherwise deal in all kinds of equipment, apparatus, plant, machinery, appliances, articles, containers, furniture, things, accessories, components, fittings, tools, utensils, materials, substances, products, systems, computers, computer programme and software which are required or are likely to be required by the Company for the purposes of, or in connection with any of its businesses, or which are likely to be required by customers or by other persons having, or about to have,

*H. Soriano*

*H. Soriano*

12. To carry on any or all of the businesses of acquiring, disposing of, and trading or dealing in, financial instruments and contracts of any kind and without limitation to enter into arrangements of any kind for or in connections with the sale or supply of electricity or other forms of energy or any other products, goods or services of the Company or otherwise and to make and enter into any pricing or financial arrangements.
13. To enter into arrangements and/or agreements for the technical/management collaboration for others and the company the giver or recipient of Technical management know-how relevant to the fields in which the company for the time being is authorised to carry on.
14. To develop procedures, methods and principles for and to carry on research and development activities on all aspects related to the products, business and objects of the Company.
15. To apply for tender, purchase or otherwise acquire any contracts, sub-contracts, licences and concessions for or in relation to the objects or business herein mentioned or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
16. To acquire, purchase, start, run, erect, maintain, buy, sell or dispose of land, business, factories, workshops, foundries, mills, equipments, machinery, plant, components, accessories, spares, tools, raw materials, industrial undertakings, warehouses, godowns, shops, departmental stores, offices, cellars, vaults, wagons, power stations, gas works, waterworks, watertanks, bridges, staff and workers quarters, roads, ways, sidings, and other works and conveniences which may seem directly or indirectly are ancillary to the main objects of the company and to contribute, subsidise or otherwise aid by taking part in any such operations.
17. To purchase, construct, take on lease or tenancy or in exchange, hire, take options over or otherwise acquire any estates, lands, buildings, easements or other interests, rights in immovable properties and to hold concessions, licences, privileges, claims, leases or option which may appear to be necessary or convenient for any business of the company and to sell, lease, mortgage, hypothecate or otherwise dispose of or grant rights over any immovable property belonging to the Company.



18. To offer and enter into contracts and agreements for services in connection with the undertaking of market surveys and for development of markets in any part of the world for raw materials, minerals, substances, commodities, goods and other articles and things and for that purpose to act as superintendents, surveyors, valuers and analysts for attainment of main objects.
19. To enter into any like or barter business involving the exchange or purchases and sales of any of the products and allied items dealt in by the Company.
20. To act as contractors, suppliers, agents, importers and exporters for any government or autonomous body or any firm, company or organisation in the private or public sector in furtherance of any of the main objects of the Company.
21. To establish and maintain agencies, branches or appoint representatives, agents, canvassers, selling and buying agents in India or abroad for sale, purchase, exchange, hire, distribution or for any one or more of the objects of the Company and to regulate and discontinue the same.
22. To form, constitute and promote or join in promoting companies, association and undertakings of all kinds.
23. To undertake payment of all rents and the performance of all covenants, conditions and agreements contained in and reserved by and lease that may be granted or assigned to or be otherwise acquired by the Company.
24. To undertake research and development activities of every description in relation to and for the attainment of the main objects.
25. To transact and carry on agency business and to act as buying agents, selling agents or representatives of any company or concern and to do and perform the several duties, services and authorities appertaining to such offices respectively and to comply with and become bound by all restrictions, limitations and conditions appertaining to such offices respectively or imposed by terms of any arrangements entered into for any of the purposes aforesaid for furtherance of the main objects.
26. To recruit, train and develop staff and organise seminars, training programmes and conferences.

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27. To invest and deal with moneys of the Company not immediately required in granting loans, shares and securities (not being shares in this Company) and in such manners as may from time to time be determined.
28. To enter into any arrangement with any Government or authority, central, state, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them and to obtain from them any concessions and privileges which the company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and connections.
29. To purchase, hire or acquire or lend-lease or in any other manner computer hardware and software programmes, systems, patents and to recruit, employ foreign or Indian nationals or otherwise acquire their services on contract/consultancy basis through collaboration with or under licence from foreign or Indian companies.
30. To receive money on deposit or loan not withdrawable by cheque or order and to borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debenture stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future) including its uncalled capital and to purchase, redeem and pay off any such securities, provided the company shall not carry on banking business as defined in the Banking Regulation Act, 1949 and that it shall be subject to the provisions of Section 58A of the Companies Act, 1956 and the directives of the Reserve Bank of India (RBI).
31. To draw, make, accept, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transfer instruments or securities.
32. Subject to the provisions of the Companies Act, 1956 to sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether, or in part, similar to those of this Company.
33. Subject to the provisions of the Companies Act, 1956 to amalgamate with any other company

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whose objects or any of them are similar to the objects of this Company, or whose business is similar to the business of this Company, whether by sale or purchase (for shares or otherwise) of this or any such other company as aforesaid.

34. To open an account or accounts with any individual, firm, company or with any bank or banks and pay into or withdraw money from such account or accounts.
35. To acquire and hold shares in any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted by this Company.
36. To acquire and undertake all or any part of the business, property and liabilities of any person or company carrying on any business, which this Company is authorised to carry on.
37. To enter into partnership or into any arrangement for sharing or co-operation with any persons or company or companies carrying on or engaged in or about to carry on or engage in, or authorised to carry on or engage in any business or transactions capable of being conducted by this Company.
38. To promote, form or join in promoting or forming any company or companies for the purpose of acquiring all or any property, rights and liabilities of any other person.
39. To pay for any property, rights, interest, or benefits acquired by the Company or services rendered to the Company, whether in cash or in fully or partly paid up shares, with or without preferred rights in respect of dividend or repayment of capital, or otherwise by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
40. To guarantee the payment of money secured or unsecured, or payable in respect of promissory notes, bonds, debentures, debenture stock, contracts, mortgages, charges, obligations, instruments and securities of any company or any authority, central state, municipal, local or otherwise or of any person whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.
41. To apply for purchase or otherwise acquire any patents, inventions, brevets, de invention,

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licenses concessions and the like concerning any exclusive or non-exclusive or limited right to the use of any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.

42. To build, construct, erect, improve, maintain, alter, purchase, hire or otherwise acquire or provide any building, offices, factories, workshops, plant or machinery, employees quarters, or other things, necessary or useful for the purpose of carrying out the main objects of the Company.
43. To acquire by purchase, lease, exchange or otherwise lands, buildings, and hereditament of any nature or description and any estate or interest therein and any rights over or connected with land for the purpose of the Company's business.
44. To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
45. To distribute all or any of the property of the Company amongst members in specie or kind, subject to the provisions of the Companies Act, 1956 and Companies (Court) Rules 1959 in the event of winding up.
46. Subject to the provisions of the Companies Act, 1956, to place to reserve or to distribute as bonus shares amongst the members or otherwise to apply, as the Company may from time to time think fit, any moneys received by way of premium on shares or debenture issued at a premium by the Company and any moneys received in respect of forfeited shares and moneys arising from the sale by the Company of forfeited shares or any other reserves.
47. To place to reserve or to distribute as bonus shares from accumulated or current profits amongst the members or otherwise to apply the same, as the Company may from time to time think fit.
48. To create any Reserve Fund or Account, Sinking Fund, Insurance Fund or Account or any other special fund or account whether for repairing, improving, extending or maintaining, any property of the Company or for any other purpose conducive to the interest of the Company, and to vary or transpose the same.

49. To provide for the welfare of persons employed or formerly employed by the Company and former directors and the families of such persons by grants of money or other aid or otherwise, as the Company shall think fit, and for the same purpose to establish provident funds, gratuity funds, superannuation funds and other trusts.
50. To subscribe to or otherwise aid benevolent, charitable, national or other institutions or objects of a public character, or which have any moral or other claims to support of by the Company by reason of the locality of its operations or otherwise. To undertake schemes of rural development or to contribute to approve programme of a development.
51. To aid, pecuniarily or otherwise, any association, body or movement having for its subject the solution, settlement or avoidance of industrial or labour problems or troubles or the promotion of industry or trade.
52. To establish research establishments or grant donations for research whether connected with the business of the Company or not.
53. To enter into arrangements for rendering and obtaining of technical know-how, services or technical collaboration with individuals, firms, research laboratories or bodies corporate whether in or outside India.
54. To remunerate any person, firm or company for rendering services to the Company whether in cash or by allotment of shares or securities (including debentures) of the Company credited as paid in full or in part or otherwise as may be thought expedient.
55. To establish or operate branch offices of company throughout India or abroad.
56. To do all or any of the above things and all such other things as are incidental or conducive to the attainment of the main objects or any of them in any part of the Union of India and the World and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with others.

C. OTHER OBJECTS NOT INCLUDED IN (A) AND (B) ABOVE

57. To carry on the business of manufacturers, producers, exporters, importers, distributors, traders, members, dealers in manufacturers, representatives, selling agents, buying agents, repackers, buyers, sellers, wholesalers, retailers, suppliers, and stockists of all kinds and varieties of equipment, machinery, apparatus and appliances for the generation and production of electricity and electric energy by any process.
58. To establish and carry on the business of manufacturing, designing, processing, assembling, buying, selling, importing, exporting, marketing or otherwise dealing in communication equipment, electronic equipment, radio and wireless communications products and equipment and radio wireless, telecommunications and satellite equipment of every description.
59. To carry on agency or public relations services in India or in other places outside India on behalf of persons, associations, companies or other bodies corporate, including without prejudice to the generality of the foregoing, technical, managerial, marketing and staff selection, training and liaison service on a turnkey or other basis.
60. To provide computer services of all kinds including renting out computers and allied hardware or equipment, provisions of software performing data processing services, preparing computer programmes, providing back-up facilities and in connection therewith to design write, prepare and test programme.
61. To carry on the trade or business of manufacturers, developers, distributors and dealers in electrical, electronic, mechanical instruments, office machines and appliance of every description wireless, radio equipment and radio and wireless telecommunications products and equipment and all materials or articles used in connection therewith or connected thereto including without prejudice to the generality of the foregoing, semi conductors, chips, printed circuits, micro circuits etc.
62. To take part in the formation, subsidising supervision of or control of any business or operation of any company or undertakings and to co-ordinate the activities of various companies.
63. To act as agents, to seek for and secure openings for the employment of capital in India or



elsewhere, or by way of foreign financial participation in capital by any individual firm or company, and in connection therewith to act as agent for any corporate entities Indian or foreign and participate in negotiations with public authorities and undertakings located in India and abroad.

64. To provide personnel recruitment services to persons firms and companies located in India or abroad and to carry on the business of public relations organisation, lobbyists, publicists and to assist in the marketing, sale distribution and supply of machines, computers, data communications equipment, semi conductors, radio communications and radio telephone equipments, software goods and merchandise of all kinds.
65. To carry on the business of an investment company to promote and establish public or private companies, to underwrite public issues of shares, securities, debentures, bonds or other securities of public companies or other enterprises, and to acquire by original subscription, participation, tender, purchase, exchange or otherwise invest in shares, stocks, debentures, bonds or other securities of public and private companies, Government Securities, units issued by the Unit Trust of India or shares or securities issued by Government companies, statutory bodies, like municipal corporations, state electricity boards, and other public enterprises.
66. To carry on the business of financing, leasing, letting on hire, hire purchase or easy payment system, machinery and equipment of all kind and variety and domestic or business appliances.

AND IT IS HEREBY DECLARED THAT :

1. The objects incidental or ancillary to the attainment of the main objects of the company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the Company herein mentioned ;
2. the word "Company" (save when used with reference to this Company) in this Memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and wherever domiciled;
3. the objects set forth in each of the several clauses of this clause shall have the widest possible construction and shall extend to any part of the world;

4. Subject to the provisions of the Companies Act, 1956, the objects set forth in any clause of sub-paragraph C above shall be independent objects and shall in no way be limited or restricted by reference to or inference from the terms of the clause of sub-paragraph A above or by the name of the Company. None of the clauses in sub-paragraph C or the objects therein described shall be deemed subsidiary or ancillary to the objects described in any of the clauses of sub-paragraph A; and
5. Nothing in any of the clauses of this memorandum shall authorise the Company to do any business which may come within the purview of the Banking Regulation Act, 1949, or of the Insurance act, 1938.

#### IV. LIABILITY

The liability of the members is limited.

#### V. SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each with authority to increase or reduce the capital and divide the capital into several classes and attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may from time to time be provided by the regulations of the Company.

We, the several persons, whose names and addresses are subscribed below, are desirous of being formed into a company in pursuance of these Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names :

Name, address, description and occupation of subscriber	Number of equity shares taken by each subscriber	Signature of Subscriber	Signature of witness and his name, address, description and occupation.
Harry Dhaul A Menezes Bldg. Altinho, Panaji Goa 403 001 S/o Maj. Inder Dhaul Occ: Industrialist	100 (Hundred)	Sd/-	
Laxmi Dhaul A Menezes Bldg. Altinho, Panaji Goa 403 001 W/o Harry Dhaul Occ: Industrialist	100 (Hundred)	Sd/-	Sd/- Vassudeo Bhagwant Prabhu Verlekar S/o Bhagwant Prabhu Verlekar Chartered Accountant 102, Govinda Bldg. M.G. Road, Panaji, Goa
Vipul Shah A Menezes Bldg. Altinho, Panaji Goa 403 001 S/o Harshad Shah Occ: Service	1 (One)	Sd/-	
TOTAL	201 only (Two hundred one)		

Place: Panaji - Goa  
Date: 27th day of September, 1994

**THE COMPANIES ACT, 1956**  
**PUBLIC COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**GLOBAL ENERGY LIMITED**

1. The regulations contained in Table 'A' in the first Schedule to the Companies Act, 1956 shall not apply to this Company namely Global Energy Limited except so far as they are repeated or contained in these Articles.

2. In these regulations, if not inconsistent with the subject or context the words standing in the first column of the following Table shall bear the meaning set opposite them respectively in the second column thereto:

"The Act" means The Companies Act, 1956 and includes where the context so admits any reenactment or statutory modifications thereof for the time being in force.

"Annual General Meeting" means Meeting held pursuant to the provisions of Section 166 of the Act.

"The Articles" means these Articles of Association as originally formed or as from time to time altered by Special Resolution.

"The Company" means Global Energy Limited.

"The Directors" means the Directors for the time being of the Company.

"Board" means The Board of Directors of the Company.

"Secretary" means any person appointed to perform the duties of Secretary of the Company.

"DIVIDEND" includes bonus.

"Meetings" means Meetings of the Board of Directors.

"The Office" means The Registered Office for the time being of the Company.

"Register" means Register of Members to be kept pursuant to the Act.

"Member" means a person whose name is entered in the Register of Members as holding any share either solely or jointly.

"Rules" means Rules framed under the Companies Act, 1956.

"Sections" means The Sections of the Act.

"Seal" means the common seal of the Company.

"Proxy" includes Attorney duly constituted under a Power of Attorney.

"In Writing" means Written, printed or lithographed or by any other mode or represented or reproduced in any visible form. Words importing the singular number also include, the plural and vice versa.

Words importing persons include corporations.

Words importing the masculine gender also include the feminine gender and vice versa.

3. Subject as aforesaid, words of expressions contained in these Articles shall bear the meaning as in the Act or any statutory modification thereof in force on the date at which these regulations become binding on the Company.
4. The Articles of Association of the Company shall be subject to any exercise of the statutory power of the Company in reference to the repeal or alteration of, or addition to its regulation by a Special Resolution, as prescribed by the Act, and the Articles of Association shall refer to the Articles as existing from time to time.

#### COMMENCEMENT OF BUSINESS

5. The Company shall not commence business or exercise any borrowing powers until the requirements of Section 149 of the Act have been complied with.

## REGISTERED OFFICE

6. Subject to provisions of proviso to sub section(2) of Section 146, the Registered Office shall be at such place as the Board may from time to time appoint.

## SHARE CAPITAL

7. The authorised share capital of the Company shall be Rs. 15,00,00,000 (Rupees Fifteen Crores only) divided into 1,50,00,000 equity shares of Rs. 10/- each; provided always that the Company may increase or reduce, sub-divide or consolidate its share capital by such amounts as it thinks expedient and issue shares at a premium subject to the provisions of the Act. All equity shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges.
8. Subject to the provisions of these Articles and Section 80 of the Act, shares may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Board liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by special resolution determine.
9. If at any time the share capital is divided into different classes of shares the rights attached, to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of Section 106 and 107 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class and supported by the votes of the holders of the three-fourths of the issued shares of that class.
10. To every such separate General Meeting, the provisions of these regulations relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question.
11. The right conferred upon the holders of the shares of any class issued with preferential or other rights shall not unless otherwise expressly provided by the terms of issue of shares of that class be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.
- (1) The Company may exercise the power of paying commission conferred by Section 76 of the Act, provided that the rate percent or the amount of commission paid or agreed to be paid shall be disclosed in the manner required by that Section.
- (2) The rate of the commission shall not exceed the rate of five percent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to five percent of such price as the case may be.



- (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- (4) The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.
12. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) by any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder.
13. Subject to the provisions of the Articles and Section 81 of the Act, the shares shall be under the control of the Board, who may allot or otherwise dispose off the same to such persons on such terms and conditions, at such times either at par or premium or a discount subject to the provisions of Sections 78 and 79 of the Act and for such consideration as the Board thinks fit. The option or right to call for shares shall not be given to any persons without the sanction of the Company in a General Meeting.
14. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalment every such instalment shall, when due, be paid to the Company by person who for the time being, shall be the registered holder of the share or by his executor or administrator or legal representative.
15. The shares may be registered in the name of any person, or Company or other body corporate. Not more than three persons shall be registered as joint-holders of any share.

#### CERTIFICATE

16. Every person whose name is entered as a member in the Register shall be entitled to receive within three months after allotment or within two months of receipt of the application for registration of the transfer.
- (a) One certificate for all his shares without payment, or
- (b) Several certificates each for one or more of his shares with or without payment as may be decided by the Board.
17. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon. The seal shall be affixed in the presence of two Directors and the Secretary or such other person as the Board may appoint for the purpose.

## DELIVERY OF CERTIFICATE TO JOINT HOLDERS

18. In respect of any share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of the several joint holders shall be sufficient delivery to all such holders.
19. If a share certificate is defaced, lost or destroyed or if there is no further space on the back thereof for endorsement of transfer it may be renewed on payment of such fee, if any, not exceeding two rupees and on such terms if any as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence as the Board thinks fit, subject to the Companies (Issue of Share Certificates) Rules, 1960.
20. On the application of any member holding a share certificate for more than one share and surrender or such certificated the Board shall be at liberty to cancel such certificate and issue several certificates each for one or more of the shares upon payment of such fee, if any, not exceeding one rupee per certificate as may be determined by the Board.

## CALLS ON SHARES

21. Subject to the provisions of Section 91 of the Act, of the Board may, from time to time, make calls upon the members in respect of all moneys unpaid on the shares (whether by way of nominal value of the shares or by way of premium) held by them respectively and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable by installments, provided that an option or right to call of shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.
22. Each member shall, subject to receiving at least 14 days notice in writing specifying the time or times and place of payment, pay to the Company at the time or times and place specified the amount called on his share.
23. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at the meeting of the Board. A call may be revoked or postponed at the discretion of the Board.
24. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
25. The Board may from time to time and at its discretion extend the time fixed for the payment of any calls and may extend such time as to all or any of the members who for reasons of residence being at a distance or other cause, the Board may deem to be fairly entitled to such extension but no members shall be entitled to such extension save as a matter of grace and favour.

20. If the sum called in respect of a share or any such extension thereof as aforesaid is not paid before or on the day appointed for payment thereof or any such extension thereof as aforesaid, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at twelve percent per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest either wholly or in part.

(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium, shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable.

(2) In case of non-payment of such sum all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

27. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

28. On the trial or hearing of any action or suit fought by the company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered is entered in the register as the holder or one of the holders of the shares at or subsequent to the date at which the money is sought to be recovered is entered in the register as the holder or one of the holders of the shares at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representative, in pursuance of these Articles and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made nor that any meeting at which any call was made was duly convened or constituted; nor any other matter, but the proof of the matters aforesaid shall be, conclusive evidence of the debt.

29. (1) The Board may if it thinks fit, agree to and receive from any members willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow

interest, at such rate not exceeding 14 percent as the member paying the sum in advance and the Board agreed upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving to the member 30 days notice in writing, provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to proportionate profits.

- (2) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so advanced by him until the same would, but for such payment, become presently payable.

### FORFEITURE OF SHARES

30. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses which may have been incurred by the Company by reason of such non payment.
31. The notice aforesaid shall :
- (a) name a day (not being earlier than the expiry of thirty days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that in the event of non-payment on or before the day so named, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.
32. If the requirements of any such notice as aforesaid are not complied with every or any share in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture, subject to section 205A of the Act.
33. Any share, so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board may think fit.
34. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
35. (1) A member whose shares have been forfeited, shall cease to be a member in respect of the forfeited share, but shall not withstanding the forfeiture, remain liable to pay to the Company



on demand all calls or installments, interest and expenses, which at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

- (2) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.
36. (1) A duly verified declaration in writing that the declarant is a Director, Manager or Secretary of the Company and has been authorised by a Board resolution to act as a declarant and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
- (2) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof from any person the Board may appoint and nominate and execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (3) The person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the shares.
37. Where any member whose shares have been forfeited has failed to deliver to the Company the relative certificate or certificates within seven days from the date of being called upon to do so, the Board may cause such certificate or certificates to be canceled and issue a new certificate or certificates for the shares comprised therein distinguishing it or them in such manner as the Board may think fit from the certificate or certificates not so delivered and cancelled.
38. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

#### LIEN

39. (1) The Company shall have a first and paramount lien upon every share not being fully paid-up registered in the name of each member and upon the proceeds of sale thereof for his debts, liabilities and engagements solely or jointly with any other person to or with the Company whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not and equitable interest in any share shall be created except upon the footing and condition that Article 12 is to have full effect, and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of

shares shall operate as a waiver of the Company's lien, if any, on such shares provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Clause.

- (2) The Company's lien, if any, on a share shall extend to all dividends from time to time declared in respect of such shares, subject to Section 205 of the Act.

40. The Company may sell, in such manner as the Board thinks fit any shares on which the Company has a lien –

Provided that no sale shall be made –

(a) unless a sum in respect of which the lien exists is presently payable, or,

(b) until the expiration of fourteen days from the date of notice in writing of the intention to sell has been served upon the member or his representative and he continues to default.

41. The provision contained in Clauses 33 and 34 of these Articles shall mutates mutandis apply to sale of shares in enforcement of Company's lien as herein before provided.

42. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

Where the Company has more than one class of shares the instrument of transfer shall be in respect of only one class of shares. A fee of Rs. 2/- shall be charged unless waived by the Board.

The instrument of transfer shall be in the form prescribed under Section 108 of the Act.

### TRANSFER AND TRANSMISSION OF SHARES

43. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor, and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate relating to the share or if no such certificate is in existence along with the letter of allotment of the share. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and any statutory modification thereof for the time being shall be duly completed with in respect of all transfers of shares and the registration thereof.



44. Application for the registration of the transfer of share may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall, in the case of a partly paid share, be affected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to provisions of these Articles, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register, the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.
45. The instrument of transfer shall be in the form prescribed by the Act or the Rules made there under or where such form is prescribed in the usual common form or any other form approved by the stock exchanges in India or as near thereto as circumstances will admit.
46. Subject to the provisions of Section 111 of the Act, the Board, without assigning any reason for such refusal, may, within one month from the date on which the instrument of transfer was delivered or the intimation of such transmission was given to the Company, refuse to register any transfer or the transmission by operation of law of the right to a share provided that registration of any transfer shall not be refused on the ground of the transferor being alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except when the Company has lien on the share.
47. No transfer shall be made to a minor, insolvent or person of unsound mind.
48. Every instrument of transfer shall be left at the office for registration accompanied by the Certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument to transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.
49. If the Board refuses, whether in pursuance of Article 46 or otherwise to register the transfer of or the transmission by operation of law of the right to any share, the Company shall, within one month from the date on which the instrument of transfer or the date on which the intimation of such transmission as the case may be was lodged with the Company, send to the transferee and transferor or the person giving intimation of such transmission, notice of refusal to register such transfer.
50. Where in case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
51. Subject to Article 53 hereof, in the case of the death of any one or more of the persons named in

the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

52. No fee shall be payable to the Company in respect of transfer or transmission of any shares in the Company.
53. The executors or administrators or holders of a Succession Certificate or the legal representative of a deceased member (not being one or two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such members and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators shall have first obtained probate of Letters of Administration or Succession Certificate, as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion may dispense with production of probate of Letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 51 register the names of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.
54. Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles or of such title as the Board thinks sufficient either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with provision's herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
55. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as here-before provided, be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the share, subject to Section 205 of the Act.
56. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee, if any as the Board may require.

The Company shall incur no liability or responsibility in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right,

title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto, in any books of the company and the company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall think fit.

### CONVERSION OF SHARES INTO STOCK AND RECONVERSION

57. The Company may by a resolution passed in a General Meeting .

(a) convert any of its paid up shares into stock, and

(b) re-convert any stock into paid-up shares of any denomination.

58. The several holders of such stock may thereafter transfer their respective interest therein, of such interest in the same manner and subject to the same regulations as, and subject to which, shares from the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit.

Provided that the Board may, from time to time fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

59. The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose but no such privileges or advantages as regards dividends, voting at meetings of the Company and in the assets at winding up shall be conferred by any amount of stock which would not, if existing in shares have conferred that privilege or advantage.

60. The Articles of the Company other than those relating to share warrants in so far as are applicable to paid up shares shall apply to stock and the words "share" and "shareholders" respectively.

### SHARE WARRANTS

61. The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 and accordingly the Board may at its discretion with respect to any share which is fully paid up, on application in writing by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as the identity of the person signing the application and on receiving the certificate (if any) of the share and the amount of the

stamp duty on the warrant and such fees as the Board may from time to time require, issue a share warrant.

62. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and attending and voting and exercising the other privileges of a member of any meeting held after the expiry of two clear days from the time of deposit as if his name was inserted in the register as the holder of the shares included in the deposit warrant.
- (2) Not more than one person shall be recognised as depositor of the share warrant.
- (3) The Company shall on two days written notice return the deposited share warrants to the depositor.
63. (1) Subject as herein otherwise expressly provided no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company or be entitled to receive any notice from the Company.
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register as the holder of the shares included in the warrant, and he shall be a member of the Company.
64. The Board may from time to time make rules as to the terms on which (if it thinks fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

#### INCREASE AND REDUCTION OF CAPITAL

65. Subject to the provisions of Sections 81, 88 and 94 of the Act, the Company may, in General Meeting, from time to time by Special Resolution passed by an affirmative vote of Members holding at least 75% (seventy five percent) of shares present and voting, increase its capital by the creation of new shares of one or more class and of such amount or amounts as may be deemed expedient.
66. Before the issue of any new shares, the Company in General Meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or subject to the provisions of Section 79 of the Act, at a discount, and upon default of any such provisions or so far as the same shall not extend, the new shares may be issued in conformity with the provisions of Article 13.
67. Except so far as otherwise provided by the conditions of the issue or by these presents, any capital



raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the Provisions herein contained, with reference to the payment of-calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

68. If, owing to any inequality in the number of new shares to be issued and the number of shares held by the members entitled to have the offer of such new shares, if any difficulty shall arise in the apportionment of such new shares or any of them amongst the members such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in General Meeting, be determined by the Board.

69. The Company may, subject to the provisions of Sections 78, 80, 100 to 105 of the Act, from time to time, by Special Resolution reduce its capital and any capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called upon again otherwise. This Article is not derogate from any power the Company would have if it were omitted.

### **SURRENDER OF SHARES**

70. Subject to the provisions of Sections 100 to 105 of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed upon, of all or any of his shares.

### **BORROWING POWERS**

71. Subject to the provisions of Section 58A, 292, 293 and 370 of the Act, the Board may, from time to time and at its direction by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and from any source or raise for the purpose of the Company, borrow or secure the payment of such terms as it thinks fit, provided however, where the money to be borrowed together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of the business exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, the Board shall not borrow or raise such money without the consent of the Company in General Meeting.

Subject to the provisions of Articles 70 hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of Debentures or Debenture-Stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and Debentures. Debentures-Stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

72. Any Debentures, Debentures-Stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into a allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.
73. Save as provided in Section of the Act no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor or and transferee had been delivered to the Company together with the certificate or certificates of the debentures.
74. If the Board refuses to register the transfer of any debentures, the Company shall, within two months from the date on which the instrument of transfer is lodged with the Company, send to the transferee and the transferor notice of the refusal.

### MEETINGS OF MEMBERS

75. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. An Annual General Meeting of the Company shall be held within 6 months after the expiry of each financial year, provided that not more than 15 months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken or affecting the right conferred upon the Registrar of Companies under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held.
76. Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company is situated or at some other place within the city in which the Registered office of the Company is situated as the Board may determine and the notice calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one of Annual General Meetings fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting of the Company. There shall be laid on the table the Directors Report and Audited Statement of Accounts, the proxy Register with proxies and the register of Directors' shareholding which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar of Companies in accordance with Sections 159, 161 and 220 of the Act.
77. The Board may, whenever it thinks fit, subject to the provisions hereof can call an Extraordinary



General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

78. Any valid requisition so made by a member must state the object or objects of the Meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
79. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a Meeting to be called on a day not later than forty-five days from the date of the deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting but in either case any meeting so called shall not be held after three months from the date of the delivery of the requisition as aforesaid.
80. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner as nearly as possible, as that in which Meetings are to be called by the Board.
81. Twenty-one days notice at least of every General Meeting, Annual or Extraordinary, and by whomsoever called specifying the day, place and hour of Meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other Meeting, with the consent of Members holding not less than 95 % (ninety five percent) of such part of the paid-up share capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by shorter notice subject to Section 171 of the Act. In the case of an Annual General Meeting, if any business other than (1) consideration of the accounts, balance sheet and reports of the Directors and Auditors, (2) the declaration of dividend, (3) the appointment of Directors in place of those retiring, (4) the appointment of and fixing the remuneration of the Auditors is to be transacted, and in the case of any other Meeting in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest if any therein of every Director and the Manager (if any). Where any such type of special business relates to or affects any other Company the extent of share holding interest in other Company of every Director and the Manager if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 (twenty percent) of the paid-up capital of that Company, where any item of business consists of according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

## PROCEEDINGS AT GENERAL MEETINGS

82. Five Members entitled to vote and present in person shall be a quorum for a General meeting and no business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.
83. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
84. If at the expiration of half an hour from the time appointed for holding a meeting of the Company a quorum is not present, the meeting, if convened by or called upon the requisition of members, shall stand dissolved. In any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place in the city or town in which the office of the Company is for the time being situated or to such other time and place as the Board may determine. If at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called. The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company whether Annual or Extra Ordinary. If there is no such Chairman of the Board, or if he is not present within fifteen minutes of the time appointed for holding the Meeting or is not able or willing to take the chair then the members present shall elect another Director as Chairman of the Meeting and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of the members to be the Chairman of the meeting.
85. No business will be discussed at any General Meeting except the election of Chairman of the meeting whilst the chair is vacant.
86. The Chairman of the meeting with the consent of the members may adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (a) Subject to the provisions of Sub-article(b) hereof, at any General Meeting a resolution put to vote of the meeting shall be decided on a show of hand & unless a poll (before or on the declaration of the result of the show of hands) is ordered by the Chairman of the Meeting of his own motion or on the demand made by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees have been paid up and unless a poll is demanded, a declaration by the Chairman of the Meeting that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority or less and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number, or proportion of the votes recorded in favour of or against the resolution.

(b) No decision in respect of the following matter shall be valid and effectual unless passed as Special Resolution of the company in General Meeting by an affirmative vote of members holding not less than 75 (seventy five percent) of the voting rights present and voting by person or proxy as defined in Section 189 of the Companies Act, 1956.

(i) Any amendment in the Memorandum and Articles of Association of the Company;

(ii) Any increase of capital or reduction in capital;

(iii) Any issue of convertible debentures or bonds;

(iv) Any modification in the rights of shareholders;

(v) The placing of the Company in voluntary dissolution or winding up;

(vi) Any amalgamation or merger of the Company with other business or Company;

(vii) Any sale or lease of the whole or substantial part of the undertaking of the company;

(viii) Diversification.

87. If a poll is demanded as aforesaid the same shall be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman of the meeting shall direct and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the Poll was demanded. The demand for a poll may be withdrawn at any time by the persons who made the demand.

88. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an Officer or employee of the company) present at the Meeting, provided such a member is available and willing to be appointed. The Chairman of the meeting shall have power at any time before the result of the poll is declared to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

89. Any poll demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting forth with.

90. The demand for a poll except on the question of the election of the Chairman of the Meeting and of an adjournment shall not prevent the continuance of Meeting for the transaction of any business other than the question on which the poll has been demanded.

## VOTES OF MEMBERS

91. No member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
92. Subject to the provisions of these Articles and without prejudice to any special privileges of restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such Meeting and on a show of hands every Member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company provided, however, if any Preference shareholder be present at any Meeting of the Company, save as provided in clause (b) of subsection (2) of Section 87 of the Act, he shall have the right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his Preference Shares.
93. On a poll taken at a Meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
94. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the Meeting.
95. If there be joint registered holders of any share any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint-holders be present at any Meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the Meeting. Several executors or administrators of a deceased Member in whose name any share is registered shall for the purpose of these Articles be deemed joint-holders thereof.
96. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.



Any person entitled under Article 54 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

98. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer of his attorney, or if such appointer is a corporate body under the Common Seal of such corporation or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have right to speak at the meetings.
99. An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every Meeting of the Company, or of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
100. A member present by proxy shall be entitled to vote only on a poll.
101. The instrument appointing a proxy and the Power of Attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the office not later than forty-eight hours before the time for holding the Meeting which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
102. Every instrument of proxy whether for a specified Meeting or otherwise shall as nearly as circumstances will admit, be in any of the form set out in Scheduled IX of the Act.
103. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of the death or insanity revocation or transfer shall have been received at the office before the Meeting at which the proxy is used.
104. No objection shall be made to the validity of any vote, except at any Meeting or poll at which such vote shall be so tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purpose of such Meeting or poll whatsoever.
105. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman of the Meeting present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

## MINUTES

106. (a) Subject to Section 193 of the Act, the Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
- (b) Each page of every book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- (f) Nothing contained herein above shall require or be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the Meeting (a) is or could reasonably be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (g) The book containing minutes of proceedings of General Meeting shall be kept at the Registered Office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

## BOARD OF DIRECTORS

107. Subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.
108. The first Directors of the Company shall be as named below :

1. Mr. Harry Dhaul
2. Mrs. Laxmi Dhaul



109. Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and, have otherwise expressly provided in the Act, be appointed by the Company in General Meeting. The remaining Directors, not exceeding one-third of the total number of Directors, may be appointed as non-retiring Directors in accordance with the provisions of these Articles and any such Directors shall not be liable to retire by rotation, but shall be counted in determining the number of Directors to retire.
110. Subject to the provisions of the Act and these Articles, the Board shall have the power to appoint or reappoint from time to time one or more of their body to be Managing Director or Managing Directors which expression shall include a joint Managing Director or a Deputy Managing Director or whole time Director or whole time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.
111. Subject to the provisions of Section 260 and 264 of the Act, the Board shall have power, at any time and from time to time, to appoint any other person to be an additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 107 any such additional Director shall hold office only up to the date of the next Annual General Meeting.
112. Subject to the provisions of Section 262 and 264 of the Act, the Board shall have power, at any time to appoint another person to be a Director up to which the Director in whose place he is to fill a casual vacancy. Any person so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if it had not been vacated by him.
113. A Director shall not be required to hold any qualification shares in the Company.
114. Each Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board, a fee of Rs.500/- (five hundred rupees) per meeting of the Board or a committee of the Board attended by him subject to Section 310 of the Act.
115. Subject to the provisions of the Act, if any Director be called upon to perform extra services or make special exertions or efforts (which expression shall include work done by a Director as a Member of any committee of the Board), the Board may arrange with such Director for special remuneration for such service or exertion or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.
116. The remuneration of a Managing Director or whole time Director (subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the

Company) shall from time to time be fixed by the Board and may be by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any or all of these modes.

117. Subject to the supervision and control of the Board the day to day management of the Company shall be in the hands of the Managing Directors and whole time Director. The Board may from time to time entrust to and confer upon a Managing Director whole time Director for the time being save as hereafter in this Article provided such of the powers exercisable under these presents by the Board as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf; as may from time to time revoke, withdraw, alter or vary all or any such powers. Provided however that the Board shall not entrust to and confer upon a Managing Director, whole time Director and Managing Director, whole time Director shall not have or be entitled to exercise the power (1) to make calls upon the members of the Company in respect of moneys unpaid on the shares held by them (2) to borrow any sum or sums of money for the purposes of the Company or to make loans out of the funds of the Company except within such limits as may from time to time be previously fixed by the Board or (3) to invest any of the moneys of the Company.
118. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such a place for the purpose of attending any meeting such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.
119. The continuing Directors may act, subject to the provisions of these Articles, notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number or of summoning a General Meeting, but for no other purpose.
120. A Director of the Company who is in any way, whether directly or indirectly, concerned or interested in contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) and 299(3) of the Act. Provided that it shall not be necessary for a Director to disclose his concern or interest or arrangement entered into or to be entered into with any other company where any of the Director of the Company or two or more of them together holds or hold not more than 2% (two per cent) of the paid-up share capital in any such other company.

121. A General Notice, given to the Board by the Director to the effect that he is a Director, or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
122. No Director of the Company shall, as a Director, take any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to
- (a) any contract of indemnity against any loss which the Directors, or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company;
  - (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely
    - (i) in his being
      - (a) a director or employee of such company; and
      - (b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company; or
    - (ii) in his being a member holding not more than 2 (two) percent of its paid-up share capital.
123. The Company shall keep a Register in accordance with Section 301(1) of the Act and shall within the time specified in Section 301(2) of the Act, enter therein such particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 120. The Register shall be kept at the Registered Office of the Company and shall be open to inspection at such office and extracts may be taken therefrom and copies thereof may be required by any member

of the company to the same extent, the same manner, and on payment of the same fee, as in the case of the Register of Members of the company and the provisions of Section 163 of the Act shall apply accordingly.

124. A Director may be or become a Director of any company promoted by the company or in which it may be interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as a Director or shareholder of such company except in so far as Section 309(6) and/or Section 314 of the Act may be applicable.
125. Subject to the provisions of Section 256 of the Act and of these Articles, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. In the following Articles, a retiring Director means a Director retiring by rotation.
126. Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 125 at every Annual General Meeting, shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
127. A retiring Director shall be eligible for re-election and shall act as Director throughout the meeting at which he retires.
128. Subject to the provisions of the Act and these Articles, the Company at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill in the vacated office by electing a person thereto so as to maintain the composition of the Board as provided in these Articles.
129. (a) If the place of the retiring Director is not so filled up and the meeting had not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, the same time and place.
- (b) If at the adjourned meeting also it is not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless :
- (i) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
  - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
  - (iii) he is not qualified or disqualified for appointment;



(iv) a resolution, whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the Act; or

(v) the proviso to sub-section (2) of section 263 of the Act is applicable to the case.

130. Subject to Section 259 of the Act, the Company may, by ordinary resolution, from time to time increase or reduce the number of Directors, and may alter their qualifications and the Company may (subject to the provision of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed and would have held the same if he had not been removed.

131. The Board may and in accordance with and subject to the provision of Section 313 of the Act, appoint an Alternative Director to act for a Director during the latter's absence for a period of not less than three months from the state in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the state. If the term of office of the Original Director is determined before he so returns to the State any provisions in the Act or in these Articles for the automatic reappointment of a retiring Director in default of another appointment shall apply to the original Director and not the Alternative Director.

132. (a) Subject to Section 305 of the Act, every Director, including a person deemed to be a Director by virtue of the explanation to sub-section (1) of Section 303 of the Act, Manager, or Secretary of the Company shall within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (1) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.

133. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in one-third be rounded up as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength of the Board, the remaining Directors that is to say, the number of Directors who are not interested present at the meeting being not less than two, shall be the quorum or and are present.

134. Subject to Section 288 of the Act, if a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being earlier than seven days and later than fifteen days from the date originally fixed for the meeting. Notice of such adjourned meetings shall be given to all the Directors.
135. (a) The Secretary shall, as and when directed by the Chairman or by a Director or Directors to do so convene a meeting of the Board by giving notice in writing to every Director.
- (b) At least ten days notice of every meeting of the Board shall be given in writing to every Director for the time being in India at his usual address in India and to every other Director provided however that in case of a Director resident outside India, notice of every meeting of the Board shall also be given to such Director at his address outside India and to his alternate, if any, in India at his usual address in India. Such notice shall be accompanied by the Agenda setting out the business proposed to be transacted at the meeting. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in the case of an emergency or if special circumstances so warrant.
136. The Board shall appoint a Chairman of its Meeting and determine the period for which he is to hold office. If no such Chairman is appointed or if at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall appoint one of their members to be Chairman of such meeting. The Managing Director for the time being will be the Chairman of the meetings of the Board.
137. (a) The Board may, subject to the provisions of Sections 292, and 293 and the other provisions of the Act, and the provisions of these Articles delegate any of its power to a committee or committees consisting of such member or members of its body as it thinks fit.
- (b) Any committee so formed shall, in the exercise of the powers so delegated conform to any regulation that may be imposed on it by the Board.
138. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by an regulations made by the Directors under the last preceding Article.
139. Subject to the provisions of Section 289 of the Act, no resolution shall be deemed to have been duly passed by the Board or a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers if any, to all the Directors or their alternates or to all members of the committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or its committee, as the case may be) and to all other Directors or members of the committee at their usual address then in India, and has been approved by such of



the Directors or members, of the committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

140. Subject to the provisions of these Articles, all acts done by any meeting of the Board or by a committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there is some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be deemed as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
141. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and Committees thereto be kept by making within 30 days of every such meeting entries thereof in books kept for the purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of every meeting in such books shall be dated and signed by the Chairman of the said meeting or the Chairman of the succeeding meeting.
- (3) In no case will the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of meeting.
- (6) The minutes shall also contain :
- (a) the names of the Director present at the meeting and
- (b) in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
- (7) Nothing contained in sub-clauses (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting :
- (i) is or could reasonably be regarded as defamatory of any persons :

- (ii) is irrelevant or immaterial to the proceedings or
- (iii) is detrimental to the interest of the Company.

The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

- (8) Minutes of meetings kept in accordance with aforesaid provisions shall be evidence of proceedings recorded therein.

### POWER OF MANAGING DIRECTOR

- 142. Subject to the superintendence, control and direction of the Board, the day to day management of the Company shall be in the hands of the Managing Director or whole-time Director appointed under the Article 110 with power to the Board to distribute such day to day management functions among such Director in any manner as deemed fit by the Board and subject to the provisions of the Act and the Articles the Board may by resolution vest in any such Managing Director or whole-time Director such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and such powers either collaterally with or to the exclusion of, or in substitution for all or any of the powers of the Directors in that behalf and they may subject to the provisions of the Act and the Articles confer from time to time revoke, withdraw, alter or vary all or any of such powers.

### POWERS OF DIRECTORS

- 143. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meetings.
  - (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, the whole or substantially the whole of any such undertaking;
  - (b) remit or give time for the repayment of any debt due by a Director;

- (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in sub-clause (a) or of any premises or properties used for any such undertakings and without which it cannot be carried on or can be carried on only with difficulty or only after considerable time;
- (d) borrow money where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Provided further that the powers specified in section 292 of the Act shall be subject to these Articles be exercised only at meetings of the Board; unless the same be delegated to the extent therein stated; or

- (e) contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of sections 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.

144. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power;

- (1) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act.
- (3) Subject to Sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon

as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

- (5) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon.
- (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Sections 292, 295, 360, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit and from time to time to vary or realize such investments, save as provided in section 49 of the Act, all investments shall be made and held in the Company's own name.
- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability, whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give necessary authority for such purpose.



- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profit of the Company, and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company.
- (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or guarantee to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, of public and general utility or otherwise.
- (16) Before recommending any dividend, to set aside out of the profits of the Company, such sum as they may think proper for depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company and subject to section 292 of the Act to invest the several sums so set aside or so much thereof as require to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the funds including the depreciation of debentures or debenture-stock and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding twelve per cent per annum.
- (17) To appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine, their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and



to such amount as they may think fit. And also from time to time to provide for the management and transition of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

- (18) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.
- (19) From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local boards, and to fix their remuneration.
- (20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys, and to authorise the members for the time being of any such local board, or any of them, to fill up any vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annul or vary any such delegation.
- (21) At any time and from time to time by power of attorney under the seal of the Company, to appoint, any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow money) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any local board, established as aforesaid or in favour of any company, or the shareholders, directors, nominee, or managers, of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- (22) Subject to Sections 294, 294-AA, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (23) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.

## MANAGEMENT

145. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely -

- (a) Managing Director and
- (b) Manager

## SECRETARY

146. Subject to the provisions of Section 383A of the Act, the Directors may, from time to time appoint at their discretion, remove the Secretary provided that where the paid up share capital of the Company is Rs. 25,00,000/- (Rupees twenty five lakhs) or more it shall have a whole-time Secretary who is a whole-time employee of the Company. The Directors may also at any time appoint some person (who need not be a Secretary) to keep the registers required to kept by the Company.

## SEAL

147. (a) The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of the Board or a Committee of the Board previously formed.
- (b) The Company shall also have liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

Every deed or other instrument to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose. Provided that in respect of the share certificate the seal be affixed in accordance with the Rules framed under the Act.

## DIVIDENDS

148. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid or credited as paid up on the shares held by them respectively.

149. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a similar dividend.

150. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed out of both, provided that :

- (a) If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years.
- (b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub section (2) of Section 205 of the Act or against both.

151. The Board may, from time to time, pay to the members such interim dividend as in their judgement the financial position of the Company justifies.

152. Where Capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participation in profits.

153. All dividends shall be appropriated and paid proportionately to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms provided that it shall rank for dividend as from a particular date, such share rank for dividend accordingly.

154. Subject to the provisions of the Act, the Board may retain the dividends payable upon shares in respect of which any person is under these Articles or provisions of the Act entitled to become a member, or which any person under the Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

155. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonuses or other moneys payable in respect of such shares.

156. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares while any money may be due or owing from him to the Company in respect of such share or shares or otherwise, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company, subject to Section 205A of the Act.

57. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
58. Unless otherwise directed by a shareholder, any dividend may be paid by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or persons entitled or in case of joint-holders to that one of them first named in the register in respect of the joint holding or to any joint holder so authorised for the purpose by all joint holders as may be prescribed under the Act. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividends by any other means.
159. No unclaimed or unpaid dividend shall be forfeited by the Board. Dividends unclaimed will be dealt with in accordance with the provisions of Sections 205A and 205 B or other provisions, if any, of the Act and rules made thereunder as may be applicable from time to time.
160. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend may, if so arranged between the Company and the member be sent off against the calls, subject to Section 205A of the Act.
161. (a) The Company in General Meeting may resolve that any moneys, investment or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund or any capital redemption reserve accounts or in the hands of the Company -and available for dividend (or representing premium received on the issue of shares and standing to the credit of the share premium account) be capitalized and distributed amongst such of the share holders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability of any issued share and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum provided that a share premium account and a capital redemption reserve account may, for purpose of this Article, only be applied in paying off any unissued share to be issued to the members of the Company as fully paid bonus shares.
- (b) A General Meeting may resolve that any surplus money arising from the realization of any capital assets of the Company or any investment representing the same or any other undistributed



profits of the Company not subject to charges for income tax, be distributed among the members on the footing that they receive the same as capital.

- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates.

### ACCOUNTS

162. (i) The Company shall keep at the Registered Office or at such other place in India as the Board thinks fit proper books of account in accordance with Section 209 of the Act with respect to
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place.
  - (b) all sales and purchase of goods by the Company and
  - (c) the assets and liabilities of the Company.
- (ii) Where the Board decides to keep all or any of the books of account at any place other than the Registered Office of the Company, the Company shall within seven days of the decision file with the Registrar of Companies a notice in writing giving the full address of that other place.
- (iii) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of account.
- (iv) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the Branch office and proper summarized returns made up to date at intervals of not more than three months, are sent by the Branch office to the Company at its Registered Office or other place in India, at which the Company's books of account are kept as aforesaid.
- (v) The books of account shall give a true and fair view of the state of affairs of the Company or branch office as the case may be and explain its transactions. The books of account and other papers shall be open to inspection by any Director during business hours.
163. The Board shall, from time to time determine whether and to what extent and at what times and places and under what conditions or regulations accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall



have any right of inspecting any account or books of documents of the Company except as conferred by law or authorized by the Board.

164. The Directors, shall from time to time, in accordance with Section 210, 211, 212, 215, 216, and 217 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting such Balance Sheet, profit and Loss Account and Reports as are required by these sections.

165. A copy of every such Profit and Loss Account and Balance Sheet (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet) shall be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which ex facie are payable to the bearer thereof), to trustees for the holders of such debentures and to all persons entitled to receive notice of Annual General Meetings of the Company.

166. Every Balance Sheet and Profit and Loss Account of the Company when audited and approved by the Company at the Annual General Meeting shall be conclusive except as regards any error discovered therein; whenever any such error is discovered the Balance Sheet and Profit and Loss Account shall forthwith be corrected by the Board and thenceforth shall be conclusive.

#### AUDIT

167. Auditors shall be appointed and rights and duties regulated in accordance with sections 224 to 231 of the Act.

168. The first Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of the registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting. Provided that the company may at a General Meeting remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and whose nomination notice has been given to the members of the Company not less than fourteen days before the date of the meeting provided further that if the Board fails to exercise its powers under this Article, the Company in General Meeting may appoint the first Auditor or Auditors.

#### DOCUMENTS AND NOTICES

169. (1) A document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address of (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

(2) Where a document or notice is sent by post, service of the documents or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the

document or notice, provided that when a member has intimated to the Company in advance that documents or notices should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of meeting at the expiration of forty eight hours after the letter, containing the document or notice is posted and in any case at the time at which the letter would be delivered in the ordinary course of post.

- (3) By Advertisement : A document or notice advertised in a newspaper circulating in the neighbourhood of the Registered Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the company an address within India for the serving of documents nor the sending of notices to him.

170. A document or notice may be served or given by the company on or to the joint holders of a share by serving or giving the documents on or to the joint holder named first in the Register of Members in respect of the shares.
171. A document or notice may be served or given by the Company on or to the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to him by name or by the title or representatives of the deceased or assignees of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be entitled or until such an address has been so supplied by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
172. Documents or notices of every General Meeting shall be served or given in such manner herein before authorised on to (a) every member, (b) every person entitled to a share in consequences of the death or insolvency of a member and (c) the Auditor or Auditors for the time being of the Company.
173. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.
174. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board for such purposes and the signature thereto may be written, printed or lithographed.
175. All documents or notices to be served or given by members on or to the Company or any officer

thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post or by leaving it at the office.

### WINDING UP

176. The Liquidators on any winding up (whether voluntary, under supervision of court or compulsory) may, with the sanction of Special Resolution, but subject to the right attached to any preference share capital, divide among the contributories in specie any parts of assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit.

### INDEMNIFICATION

177. (1) Subject to the provisions of Section 201 of the Act, every Director, Manager, officer, servant, or agent for the time being of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, losses and expenses which may incur or become liable to by reason of any contract entered into or in any way in the discharge of his duties including expenses and, in particular, of the foregoing provision, against all liabilities incurred by him as such Director, Manager, Officer, servant, or agent in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.
- (2) Subject to the provisions of Section 201 of the Act, no Director, Manager, Officer, servant or agent for the time being of the Company shall be liable for the costs, receipts, neglects of any other Director, officer, servant for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors, for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities, or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happened through his own dishonesty.

### SECRECY CLAUSE

178. Subject to the provisions of these Articles and to the Act, no member shall be entitled to:

- (a) enter the property of the Company or to inspect or examine the Company's premises or

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properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of the business of the Company and which in the opinion of the Directors will be inexpedient in the interests of the Company to communicate; or

- (b) disclose to any person, firm or Company any confidential information disclosed by it/him.

### GOVERNING LAW

179. The Articles of Association shall be governed by and construed in accordance with the Companies Act, 1956 and other laws of Indian and if anything in these Articles is not in conformity with their provisions, the Companies Act and other prevailing laws in India shall prevail.

We, the several persons, whose names, and addresses are subscribed are desirous of being formed into a Company in pursuance of these Articles of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

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H. B. B. B. B.  
H. B. B. B. B.

Name, address, description and occupation of subscriber	Number of equity shares taken by each subscriber	Signature of Subscriber	Signature of witness and his name, address, description and occupation.
Harry Dhaul A Menezes Bldg. Altinho, Panaji Goa 403 001 S/o Maj. Inder Dhaul Occ: Industrialist	100 (Hundred)	Sd/-	
Laxmi Dhaul A Menezes Bldg. Altinho, Panaji Goa 403 001 W/o Harry Dhaul Occ: Industrialist	100 (Hundred)	Sd/-	Sd/- Vassudeo Bhagwant Prabhu Verlekar S/o Bhagwant Prabhu Verlekar Chartered Accountant 102, Govinda Bldg. M.G. Road, Panaji, Goa
Vipul Shah A Menezes Bldg. Altinho, Panaji Goa 403 001 S/o Harshad Shah Occ: Service	1 (One)	Sd/-	
TOTAL	201 only (Two hundred one)		

Place: Panaji - Goa  
Date: 27th day of September, 1994



TRADING LICENCE No. \_\_\_\_\_ OF \_\_\_\_\_ 2007

**DRAFT LICENCE FOR TRADING OF ELECTRICITY IN THE STATE OF  
DELHI UPTO 100 Million kWh per annum**

**Dated:** \_\_\_\_\_, 2008

Licence granted by the Delhi Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 (36 of 2003) to **M/s Global Energy Limited** having its registered office at C-301, House of Lords, Miramar, Panaji, Goa-403001 to trade electricity within the area of trading (as defined in this Licence) and with the powers and upon the terms and conditions specified herein.

**Part I: General**

**1 SHORT TITLE**

This Licence may be called the DERC Trading Licence

**2 DEFINITIONS**

In this Licence unless the context otherwise requires:

- (a) "**Accounting Statement**" means for each financial year, accounting statements in respect of the Licensed Business, comprising-
- (i) a balance sheet, prepared in accordance with the form contained in Part I of Schedule VI to the Companies Act, 1956;
  - (ii) a profit and loss account, complying with the requirements contained in Part II of Schedule VI to the Companies Act, 1956;
  - (iii) a cash flow statement, prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) of the Institute of Chartered Accountants of India;
  - (iv) a report of the statutory auditors' of the Electricity Trader;
  - (v) cost records prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, together with notes thereto, and such other supporting statements and information as the Commission may direct from time to time;
- (b) "**Act**" means the Electricity Act, 2003 (36 of 2003);
- (c) "**Commission**" means the Delhi Electricity Regulatory Commission;
- (d) "**Licence**" means this licence under which the Electricity Trader is authorized to conduct the Licensed Business;
- (e) "**Licensed Business**" means the business of trading of electricity pursuant to this licence.
- (f) "**Regulations**" means the Delhi Electricity Regulatory Commission (Trading Licence Conditions) Regulations, 2006.
- (g) "**Electricity Trader**" means **M/s Global Energy Limited** in its capacity as operator of the Licensed Business. Words or expressions used herein and not defined shall have the meanings assigned to them in the Act.

*H. Srinivas*

## **Part II: General Terms and Conditions**

### **3 AREA OF TRADING**

The area of trading shall be the State of Delhi.

### **4 COMMENCEMENT AND TERM OF LICENCE**

The Licence shall come into force from the \_\_\_\_\_, 2008 and, unless revoked earlier by the Commission in accordance with the provisions of Section 19 of the Act or Licence Conditions, shall remain in force for the period of twenty five years.

### **5 DUTIES**

5.1 The Electricity Trader shall undertake the Licensed Business in accordance with the provisions of the Act and the rules and regulations made thereunder. Provided that it shall be the duty of the Electricity Trader to comply with the following:

- (a) This licence does not entitle the Electricity Trader to undertake the business of transmission or distribution of electricity;
- (b) The Electricity Trader shall comply with the requirements of the applicable laws in force and, in particular, the Act, the rules and regulations made there under, the State Grid Code, orders and directions issued by the Commission from time to time;
- (c) The Electricity Trader shall increase his net worth if the volume of trade moves from a lower category to a higher category and the change of category shall be decided based on the volume of electricity traded for the year ending as at the 31<sup>st</sup> of March of each year and the Electricity Trader shall keep the Commission informed of his moving from one category to the other and subsequent changes in the net worth;
- (d) The Electricity Trader shall be subject to the trading margins fixed by the Commission;
- (e) The Electricity Trader shall be governed by the technical requirements, capital adequacy requirements and creditworthiness as may be specified by the Commission and shall upgrade these technical and capital adequacy requirements, including staff, when the volume of trading increases;
- (f) The Electricity Trader shall establish adequate communication facilities like telephone, fax, computer, internet facilities, before undertaking trading;
- (g) The Electricity Trader shall coordinate with Regional Electricity Boards or Regional Power Committees, as the case may be, the State Load Despatch Centre and the State Transmission Utility with regard to the Licensed Business;



(h) The Electricity Trader shall render all assistance to any person authorized by the Commission for carrying out his duties relating to the licence;

(i) All trading arrangements shall be done through letters of credit or other commercially acceptable instrument;

(j) The Electricity Trader shall not omit or neglect to undertake the Licensed Business for four consecutive quarters;

(k) The Electricity Trader shall maintain an up-to-date record of his customers and the transactions entered into by him with other parties.

5.2 The Electricity Trader shall as soon as practicable report to the Commission-

(a) any significant change in his circumstances which may affect the Electricity Trader's ability to meet his obligations under the Act, the rules and the regulations there under, directions and orders issued by the Commission, agreements or the Licence;

(b) any material breach, or likelihood thereof, of the provisions of the Act, the rules and the regulations thereunder, directions and orders issued by the Commission, agreement or the Licence, which was reasonably within his knowledge, along with the reasons therefor, as soon as practicable; and

(c) any change in management control or major change in the shareholding pattern of the Electricity Trader.

Explanation I – for the purpose of this clause, “management control” shall include the right to appoint majority of the directors or to control the management or policy decisions of the Electricity Trader, including by virtue of shareholding or management rights or shareholders' agreement or partnership agreement or trust deed or voting agreement or in any other manner;

Explanation II – for the purpose of this clause, “major change in shareholding pattern” shall mean the acquisition, by such person as specified in Regulation 7 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as in force from time to time, of such per cent of shares or voting rights in the Electricity Trader as would entail a disclosure under sub-regulation (1) of that Regulation.

5.3 The Electricity Trader shall seek the approval of the Commission before creating any encumbrance on the assets of the Licensed Business, except where such encumbrance is created for the purpose of the Licensed Business.



5.4 The Electricity Trader may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to the Electricity Trader in connection with the Licensed Business, subject to the following conditions:

(a) that the transaction shall be undertaken on an "arms-length basis" and at a value that is fair and reasonable in the circumstances, which for the purposes of this clause, shall mean with respect to any specific transaction, substantially on terms that would be obtained between the Electricity Trader and a third party unrelated to and unconnected with the Electricity Trader;

(b) that the Electricity Trader shall report to the Commission, for each financial year, the details of all transactions of the nature referred to in this Regulation entered into during the financial year;

(c) that the Electricity Trader shall submit to the Commission, for each financial year, a certificate from a Chartered Accountant as regards compliance with the requirement of clause (a) above .

Explanation – for the purpose of this clause, the terms "subsidiary" and "holding company" shall have the same meaning as under Section 4 of the Companies Act, 1956

## **6 ACCOUNTS**

6.1 The financial year of the Electricity Trader shall run from the first of April to the following thirty-first of March.

6.2 The Electricity Trader shall in respect of the Licensed Business:

(a) keep such accounting records as would be required so that the revenues, costs, assets, liabilities, reserves and provisions for, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Electricity Trader; and

(b) prepare on a consistent basis from such accounting records, the Accounting Statements prepared in accordance with the provisions of the Companies Act, 1956 and/or the standards or guidelines of the Institute of Chartered Accountants of India.

6.3 The Electricity Trader shall upon written request by any person make available a copy of its Accounting Statements at a reasonable price not exceeding photocopying charges.

## **7 PROVISION OF INFORMATION TO THE COMMISSION**

The Electricity Trader shall furnish to the Commission such information, documents and details related to the Licensed Business as the Commission may require.

## **8 STANDARDS OF PERFORMANCE**

The Electricity Trader shall furnish performance details to the Commission for such periods and in such form as may be specified.



## **9 LICENCE FEES**

During the period that the Licence is in force, the Electricity Trader shall, by the 10th of April of every year, or such further period as the Commission may allow, pay to the Commission such licence fees as may be specified.

## **10 DECISION ON INTERPRETATION OF LICENCE**

The interpretation of the Licence and the terms and conditions thereof shall be as determined by the Commission.

ATTESTED

*Heinrich*

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