

**BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY
REGULATORY COMMISSION, LUCKNOW**

Application No. _____ of 2006

IN THE MATTER OF:

Global Energy Limited – Application for grant of an Intra-state Trading
Licence.

INDEX

Sl. No.	Particulars	Pages
1	Application for the grant of intra-state trading licence (Form No.1)	1-7
2	Certificate of Incorporation (Enclosure I)	8
3	Fresh Certificate of Incorporation (Consequent to change of name) (Enclosure II)	9
4	Power of Attorney of the signatory to the applicant (Enclosure III)	10-12
5	Details of Income Tax Registration (Enclosure IV)	13
6	Certificate of Net Worth (Enclosure V)	14
7	Copies of Annual Reports for the periods: 2000-01, 200-02, 2002-03, 2003-04 and 2004-05 (Enclosure VI)	15-121
8	Organisation & Managerial Capability (Enclosure VII and Enclosure VIII)	122-129
9	Approach & Methodology (Enclosure IX)	130-131
10	Details of Payment of application fee (Copy of Demand draft)	132

UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

APPLICATION FORM FOR GRANT OF TRADING LICENCE

Particulars of the Applicant

1. Name of the applicant: GLOBAL ENERGY LIMITED
2. Address:

22, RAKHI MAHAL , DINSHAW
WACHHA ROAD , MUMBAI ,
400020
3. Name, Designation & Address:
of the contact person

MR. HARRY DHAUL ,CHAIRMAN
AND MANAGING DIRECTOR
4. Contact Tel. Nos.: 022-22022206
5. Fax No.: 022-22047699
6. E-mail ID: globalenergy@gmail.com

7. Place of Incorporation/Registration: C-301 , HOUSE OF LORDS ,
OPP. MARIOT HOTEL,
MIRAMAR
PANJIM ,GOA - 403001
8. Year of Incorporation/Registration: 1994
9. Following documents are to be enclosed
- a) Certificate of registration: (ENCLOSURE I) FRESH CERTIFICATE
OF INCORPORATION IS PROVIDED.
- b) Certificate for commencement
of business: (ENCLOSURE II)
COMPANY BEING CHANGED INTO
A PUBLIC LIMITED COMPANY IN
1995 NO CERTIFICATE IS
REQUIRED.
- c) Original power of attorney of the
Signatory to the Applicant/its promoter: (ENCLOSURE III)
- d) Details of Income tax Registration: PAN AACCG1351K
(ENCLOSURE IV)

Details of Financial Data of Applicant

10. a) 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 5 (five) financial years.

(Specify financial year as applicable):

(ENCLOSURE V)

CERTIFICATE

ATTACHED

- b) Copies of Annual Reports or Certified audited results to be enclosed in support of above.

(ENCLOSURE VI)

11. 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 5 (five) financial years. (Specify financial year as applicable):
(DD/MM/YY) to (DD/MM/YY)

PRECEDING FIVE YEARS	YEAR 1 2001	YEAR2 2002	YEAR3 2003	YEAR4 2004	YEAR5 2005
Over all Turnover (Rs.Lakhs)	-----	5.00	4.80	3,595.72	1,023.11

- b) Copies of Annual Reports or certified audited results to be enclosed in support of above.
12. List of documents enclosed in support of Sl. Nos. (10) and (11) above:

(ENCLOSURE V & VI
ABOVE) NET WORTH
CERTIFICATE & BALANCE
SHEETS OF THE COMPANY
ARE PROVIDED FOR THE
PURPOSE.

13. a) Whether applicant himself shall be

financing the proposed trading

fully on its own balance

Sheet:

YES.

b) If, Yes, proposed equity from the applicant

i) Amount :

EXISTING EQUITY

ii) Percentage :

NO FURTHER ADDITION

14. In case the applicant proposes to tie up with

some other Agency for equity, then name &

address of such agency:

a) Name, designation & Address of

reference person of the other Agency:

b) Contact Tel. No. :

c) Fax No. :

d) E-mail ID :

e) Proposed equity from the other Agency

i) Amount :

ii) Percentage of total equity :

iii) Currency in which the equity is proposed:

f) Consent letter of the other Agency to

associate with the Applicant for equity

participation to be enclosed.

g) Nature of proposed tie-up between

Applicant and the other agency.

NOT APPLICABLE

15. Details of debt proposed for the Trading activity:

a) Details of Lenders:

b) Amount to be sourced from:

Various lenders

c) Letters from the lenders in support of the above
to be enclosed.

NOT APPLICABLE

15. Organisational & Managerial

Capability of Applicant:

(Applicant is required to enclose proof of
their Organizational & Managerial Capability,
In terms of these Regulations)

(ENCLOSURE VII) &

(ENCLOSURE VIII)

17. Approach & Methodology:

(ENCLOSURE IX)

(Applicant is required to describe Monthly Trade Volume and Future
Plans of Trading, Approach & Methodology for establishment of the
Trading arrangements as proposed by the applicant.)

DETAILS OF APPROACH & METHODOLOGY ALONG WITH PROJECTIONS OF THE
QUATUM OF POWER TO BE TRADED IS ATTACHED AS ENCLOSURE - IX
THE COMPANY AIMS TO UNDERTAKE UP TO 50 MUs OF TRADING IN THE STATE FOR THE

7
FIRST YEAR AFTER RECEIVING THE LICENCE AND TO SUSTAIN THE SAME LEVEL OF
TRADING ACTIVITY FOR THE SUBSEQUENT 4 YEARS .
ESTIMATED TRADING VOLUMES AS MENTIONED ABOVE. PROJECT FINANCING AND
FUNDING ARRANGEMENTS ARE NOT REQUIRED FOR THIS OPERATION.

Dated : 02/09/2006

Place: MUMBAI



(Signature of Applicant)

GLOBAL ENERGY LIMITED

Mumbai: 22, Rakhi Mahal,

Wacha Road, Mumbai-400 020.

Phone: 2222206, 22020327, 56349855

Fax: 22047699

ENCLOSURE-I

FROM : MANDON

PHONE NO. : 2225451

ALIG. 18 2004 03:20

8

(Section 18(1) of the Companies Act, 1956)

CERTIFICATE OF REGISTRATION OF SPECIAL RESOLUTION
PASSED FOR ALTERATION OF OBJECTS

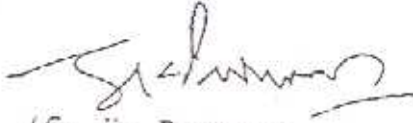
Co. No. U 40103 GA 1994 PLC 001663 (CIN)

GLOBAL ENERGY LIMITED

having by Special Resolution passed
on 28/05/2004 altered the provisions of
its Memorandum of Association with respect to
its objects, and a copy of the said resolution
having been filed in this office on 25/06/2004.
I hereby certify that the Special Resolution
passed on 28/05/2004 together with a printed
copy of the Memorandum of Association as altered
has this day been registered.

SIXTEENTH day of AUGUST Two thousand Four.
(25 SRAVANA, SAKA 1923).




(G. K. Purwar)
Registrar of Companies
Goa, Daman & Diu
Panaji.

No. 24-01663

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

In the office of the Registrar of Companies, Goa.

In the matter of * GLOBAL ENERGY PRIVATE LIMITED

I hereby certify that GLOBAL ENERGY PRIVATE LIMITED

which was originally incorporated on 27 TH day of
SEPTEMBER 1994 under the ** COMPANIES Act,
1956 and under the name GLOBAL ENERGY PRIVATE LIMITED

having duly passed the necessary resolution in terms of
section 21/31 of the Companies Act, 1956 the name of
the said company is this day changed to GLOBAL ENERGY
LIMITED *****

and this certificate is issued pursuant to section 23 and
44 of the said Act.

Given under my hand at Panaji this FOURTEENTH
day of FEBRUARY 1995 (One thousand nine hundred
NINETY FIVE.) (25 MAGHA, SAKA 1916)



R.V. Dani
(H.V. Dani)
(Gopokambkar)
Registrar of Companies
Goa, Damam & Diu
Panaji.

Note: (1) Here give the name of the company as existing
prior to the change.
(2) ** Here give the name of the Act(s) under which
the company was originally registered and
incorporated.

ENCLOSURE - III



L. S. V. No. 114958
महाराष्ट्र MAHARASHTRA

परवानाधारक पुस्तक विक्रेता
परवाना क्रमांक ११४९५८

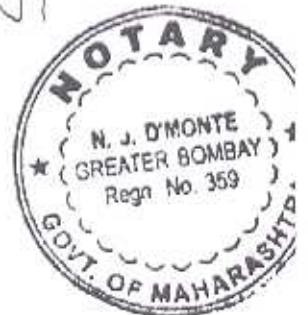
AA 114958

1 AUG 2006

स्थान 274 Global Energy Ltd
M/S/Mr. Global Energy Ltd
राज्य महाराष्ट्र

25 AUG 2006

[Signature]
परवानाधारक पुस्तक विक्रेता



POWER OF ATTORNEY

TO ALL WHOM THESE PRESENTS SHALL COME, WE, Global Energy Limited, a company incorporated under the Companies Act, 1956 having its registered office at C-301, House of Lords, Opp. Marriot Hotel, Miramar, Panjim, Goa 403 001 an corporate office at 22, Rakhi Mahal, Dinshaw Wacha Road, Munibai 400 020, do hereby solemnly affirm and say as follows:

Whereas:

A. We, the Company above named, are interested in intra-state trading of electricity in the State of Uttar Pradesh.

Cont. ...2...

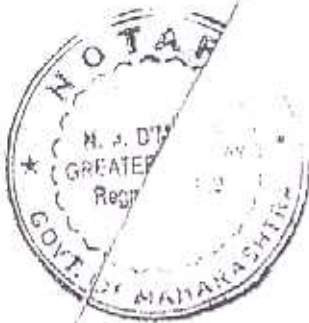


- B. For the purpose of such intra-state trading of electricity, we are required to file applications and execute documents as prescribed by the relevant State together with the prescribed fees.

AND HENCE WE, the Company above named, do hereby appoint Mr. Karan Dhaul, Director of the Company, as the Constituted Attorney to do the following acts and deeds in connection with filing of such Applications for intra-state trading of electricity:

1. To sign the Applications in prescribed forms for the intra-state trading of electricity for being filed before the appropriate authorities of different States;
2. To sign and execute all documents and papers as may be required for being filed along with the Applications for intra-state trading of electricity;
3. To make payment of and/or to deposit the requisite fees prescribed for such Applications for intra-state trading of electricity;
4. To appear and represent the Company before the appropriate authority in connection with the applications for intra-state trading of electricity;
5. To file and/or submit any other additional applications and/or documents and information as may be required by the appropriate authorities in connection with the said applications for intra-state trading of electricity.
6. To do all acts, deeds and things as may be required by the appropriate authorities in connection with the said applications for intra-state trading of electricity.

AND WE DO HEREBY agree to and shall ratify all such acts, deeds and things done by the said Attorney and acknowledge the same to be done by us and undertake to indemnify the party for any loss or damage if arisen out of such acts, deeds and things done by our



12

..3..

IN WITNESS WHEREOF, We, do hereby put our hand and seals to these
Presents on this ^{14th} ~~23rd~~ day of ^{Sept} ~~August~~ 2006

Laxmi Dhaul

SIGNED, SEALED AND DELIVERED by the
within named Company by the

Pen of Mrs. Dhaul Laxmi Harry, Director

Pursuant to the Board Resolution dated 10th August, 2006

In the presence of

ATTESTED BY ME

Identified by me:

N. J. D'Monte
1/9/2006

N. J. D'MONTE
ADVOCATE & NOTARY
51-A, Chapel Road,
Bandra, Mumbai-50

Advocate



ENCLOSURE IV

13

No.DC./Cir.3(1)/PAM Allot./99 00

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

Dt: 8th July, 1999

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

Sir,

Sub: Allotment of PAN - reg.

With reference to your application filed in this regard
for PAN, please note that your PAN is AAACC8058K.
You are requested to quote your PAN as well as GIR No. in all
future correspondence.

Yours faithfully,



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

[Signature]
1999

ENCLOSURE V

V V Ketkar
Chartered Accountant
110 Hindu Colony Dadar Mumbai 400014
Phone -32928030

14

To Whom So Ever It May Concern

Net worth Certificate

Based on the Audited Annual Return for the financial years ending on 31.03.2001 to 31.03.2005, I hereby certify the net worth of Global Energy Limited having its registered office at C-301 House of Lords, Opposite Marriot Hotel, Miramar, Panji, Goa 403001 and PAN number AACCG1351K as below –

<u>Sr No</u>	<u>As on</u>	<u>Networth (Rs.)</u>
1	31.03.2001	169,691,760
2	31.03.2002	177,691,760
3	31.03.2003	188,289,662
4	31.03.2004	273,002,794
5	31.03.2005	249,440,332

Ketkar VV
V V Ketkar
Chartered Accountant
Membership No 047388
MUMBAI
14 08.06



ENCLOSURE VI

GLOBAL ENERGY LIMITED

SEVENTH ANNUAL REPORT

2000 - 2001

GLOBAL ENERGY LIMITED

606, Classik Commercial Center
Church Square, Panjim, Goa – 403 001

16

Directors	:	Shri. Harry Dhaul Shri. Laxmi Dhaul Shri. Mikhail Dhaul Shri. Karan Dhaul
Bankers	:	CITIBANK, MUMBAI
Auditors	:	Udayavar Dhanesh Kumar & Associates Chartered Accountants Mumbai.
Registered Office	:	606 Classik Commercial Centre Church Square Panjim, Goa 403 001
Administrative Office	:	22, Rakhi Mahal Sir Dinshaw Wacha Rd. Mumbai – 400 020 Tel: 2022206/ 0827
Factory	:	Village : Belgundi District : Belgaum 591 108 Tel: 55240/ 249/ 241

For Global Energy Limited

Director

GLOBAL ENERGY LIMITED

606, CLASSIK COMMERCIAL CENTER, CHURCH SQUARE, PANJIM, GOA-403 001

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 Friday, 28th September, 2001 at 10.00 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 31st March, 2001.
- 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: 4th September, 2001

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.

CERTIFIED TRUE COPY
For Global Energy Limited

Director



GLOBAL ENERGY LIMITED

18

22, Rakhi Mahal, Dinshaw Wacha Road, Mumbai - 400 020. Tel.: 202206, 0827, Fax : 2047699

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, 2001

FINANCIAL PERFORMANCE

The annual accounts accompanying this report are self-explanatory and provides the overall picture of the financial operations during the year

FIXED DEPOSITS

The company has not accepted or renewed any deposit from public during the year under review.

PERSONNAL

The relations with the employees of the company has been cordial. The Director of the company acknowledge and thank the employees for their wholehearted support.

DEVELOPMENTS:

1. M/s. BSES Limited, a leading energy producer have confirmed their interest in equity participation in the company.
2. M/s. BSES EPC group was short-listed as the EPC contractor for the project.
3. In the meanwhile the power situation in Karnataka has worsened which would benefit the Company as shortage of power and increase in tariff will improve the bottom line of the Company. The power scenario in country worsened and therefore, the demand for power has gone up.
4. Belgundi Cements Pvt. Ltd. was unable to comply with its obligation to complete the power project within the proposed time as per the terms of the Agreement entered on the November 1994 and Supplemental Agreements on 25th March 1995 & 2nd April 1998, hence the Company has revoked the contract and the Corporate Guarantee issued due to non-performance.

CERTIFIED TRUE COPY
For Global Energy Limited

Director

5. The Company has since decided to make their own arrangements. The Company has entered into an agreement with M/s. BSES Ltd. To complete the Phase I of the power project with a contribution to the equity of the Company.
6. M/s. BSES Ltd. has also agreed to complete phase I and also to provide the O&M support to run both the Phases. The Company has accepted this and is in the process of finalizing the details of Phase II. In the meanwhile the company is making best efforts to commence operations of the power project at Belgundi at the earliest with the help of M/s.BSES Ltd.. The promoters of the company have brought in funding to meet the interim obligations for the development and start up of the power project.

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

The 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.

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 do not form part of this report as there is no employee having remuneration in excess of Rs.12 Lakhs p.a. or Rs. 1 Lakh p.m. if employed for part of the year.

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;

CERTIFIED TRUE COPY
For Global Energy Limited

Director

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
Managing Director

Place: Mumbai

Date :

CERTIFIED TRUE COPY
For Global Energy Limited

Director

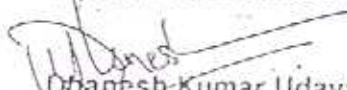
AUDITORS REPORT

The Members of
Global Energy Ltd.

We have audited the attached Balance Sheet of Global Energy Ltd as at 31st March, 2001 and also the annexed Profit and Loss Account of the Company for the year ended on that date and 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 explanations 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 examinations 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:
 - d) The accounts of the Company confirm to the Accounting Standards pursuant to section 211 (3)(c) of the Companies Act, 1956.
 - e) On the basis of written representation received from the directors as on 31st March, 2001 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2001 from being appointed as a directors in terms of Sections 274(1)(g) of the Companies Act, 1956.
3. In our opinion and to the best of our information and knowledge and according to the explanations given to us the accounts read together with the significant Accounting Policies and Notes in Schedule 'I' 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, 2001
 - 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


Dhaneesh Kumar Udayavar
Proprietor

CERTIFIED TRUE COPY
for Global Energy Limited

Place, Mumbai
Date: 16th April, 2001

Director

ANNEXURE TO THE AUDITORS REPORT

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

22

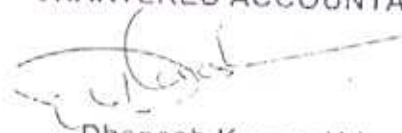
1. The Company has maintained records of Fixed Assets and as explained to us the Management has physically verified all the fixed assets during the year.
2. None of the Fixed Assets of the Company have been revalued during the year.
3. In respect of its Power Project, since the Company has not commenced commercial operations till 31st March 2001 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 in the registers maintains under section 301 of the Companies Act 1956 and 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. No terms for interest and repayment have been stipulated. In view thereof, we are unable to comment whether they are prejudicial to the interest of the Company.
6. The Company has granted interest free loans to its employees / other parties. No terms for interest and repayment have been stipulated. In view thereof, we are unable to comment whether the same are prejudicial to the interest of the Company.
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.
9. The Company did not have any internal audit during the year.
10. We are informed that the provisions of Employees Provident Fund Act, 1952 and Employees State Insurance Scheme are not applicable to the Company.
11. According to the information and explanation given to us, no undisputed amounts are payable in respect of Income Tax, Wealth Tax, Custom duty and Excise duty as at the last day of financial year 2000-2001, which are outstanding for a period of more than six months from the date they are payable.

CERTIFIED TRUE COPY
For Global Energy Limited

Director

12. 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.
13. We are informed that the Company not being a small scale 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: 16th April, 2001

CERTIFIED TRUE COPY
For Global Energy Limited

Director

GLOBAL ENERGY LIMITED

24

BALANCE SHEET AS AT 31st. March 2001

Description	Schedule	As at 31st. March, 2001	As at 31st. March, 2000
I SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
a) Share Capital	A	30,005,010.00	30,005,010.00
b) Reserves & Surplus	B	90,000,000.00	90,000,000.00
c) Share Application Money		50,000,000.00	50,000,000.00
LOAN FUNDS			
a) Unsecured Loans	C	624,750.00	564,750.00
TOTAL		170,629,760.00	170,569,760.00
II APPLICATION OF FUNDS			
FIXED ASSETS	D	151,040,000.00	151,040,000.00
CAPITAL WORK IN PROGRESS		49,413,583.00	49,154,295.00
CURRENT ASSETS, LOANS & ADVANCES			
a) Cash & Bank Balance	E	9,041.00	3,948.00
b) Loans & Advances	F	143,365.00	216,500.00
		152,406.00	220,448.00
Less: <u>CURRENT LIABILITIES</u>	G	30,289,479.00	30,158,233.00
NET CURRENT LIABILITIES		(30,137,073.00)	(29,937,785.00)
MISCELLANEOUS EXPENDITURE	H	313,250.00	313,250.00
TOTAL		170,629,760.00	170,569,760.00
NOTES TO ACCOUNTS	I		

As per our Report of even date
For UDAYAVAR DHANESH KUMAR & ASSOCIATES
Chartered Accountants

Dhanesh Kumar Udayavar
Proprietor

Place: Mumbai
Dated: 16th. April, 2001

CERTIFIED TRUE COPY
For Global Energy Limited

Director

For & On behalf of Board of Directors

Harry Dhaul
Director

Laxmi Dhaul
Director

GLOBAL ENERGY LIMITED


25

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST. March 2001

Description	Schedule	As at 31st. March, 2001	As at 31st. March, 2000
<u>INCOME</u>			
Compensation received		480,000.00	
<u>TOTAL</u>		<u>480,000.00</u>	
<u>EXPENDITURE</u>			
Bank Charges		175.00	505.00
Professional Charges			50,000.00
Office Rent		252,000.00	120,000.00
Hire Charges		312,000.00	160,000.00
Security Charges		83,415.00	
Xerox Machine Rental		67,332.00	33,966.00
Conveyance		2,516.00	4,562.00
Courier Charges		1,025.00	1,500.00
Office Expenses		3,560.00	5,215.00
Repairs & Maintenance			3,966.00
General Expenses		915.00	2,491.00
Auditors Remuneration		15,750.00	15,750.00
		<u>739,288.00</u>	<u>397,956.00</u>
Loss for the year transferred to Capital WIP		<u>(259,288.00)</u>	<u>(397,956.00)</u>

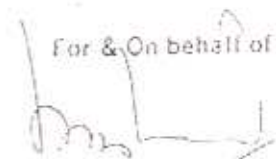
NOTES TO ACCOUNTS


As per our Report of even date
For UDAYAVAR DHANESH KUMAR & ASSOCIATES
Chartered Accountants


Dhanesh Kumar Udayavar
Proprietor

Place: Mumbai
Dated: 16th. April, 2001

For & On behalf of Board of Directors


Harry Dhaul
Director


Laxmi Dhaul
Director

CERTIFIED TRUE COPY
For Global Energy Limited

Director

GLOBAL ENERGY LIMITED

26

SCHEDULES FORMING PART OF BALANCE SHEET

Description	As at 31st. March, 2001	As at 31st. March, 2000
-------------	-------------------------	-------------------------

Schedule A : 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 30,00,501 Equity Shares of Rs. 10/- each	30,005,010.00	30,005,010.00
--	---------------	---------------

Schedule B : RESERVES & SURPLUS

Share Premium Account	90,000,000.00	90,000,000.00
-----------------------	---------------	---------------

Schedule C : UNSECURED LOANS

From Directors	620,750.00	540,750.00
IPPAI	4,000.00	24,000.00
Fusion Energy Technologies Ltd		
	624,750.00	564,750.00

Schedule D : FIXED ASSETS

Lease Hold Land	1,000,000.00	1,000,000.00
Power Plant Assets Deposit	150,000,000.00	150,000,000.00
Office Equipment	40,000.00	40,000.00
	151,040,000.00	151,040,000.00

Schedule E : CASH & BANK BALANCE

Cash in Hand	5,930.00	2,196.00
Balance with Scheduled Banks in Current Account	3,111.00	1,752.00
	9,041.00	3,948.00

CERTIFIED TRUE COPY
For Global Energy Limited

Director

GLOBAL ENERGY LIMITED

27

SCHEDULES FORMING PART OF BALANCE SHEET

Description	As at 31st. March, 2001	As at 31st. March, 2000
-------------	-------------------------	-------------------------

Schedule F : LOANS & ADVANCES

143,365.00

216,500.00

(Unsecured - Considered Good)

Advances recoverable in cash or kind or for value to be received including Rs. NIL (Previous Year Rs. 20,000/-) due from a Company in which Directors are Directors in that Company

143,365.00

216,500.00

Schedule G : CURRENT LIABILITIES

Sundry Creditors for Expenses

249,479.00

118,233.00

Other Liabilities

30,040,000.00

30,040,000.00

30,289,479.00

30,158,233.00

Schedule H : MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary Expenses

190,750.00

190,750.00

Share Issue Expenses

122,500.00

122,500.00

313,250.00

313,250.00

CERTIFIED TRUE COPY
For Global Energy Limited

Director



GLOBAL ENERGY LIMITED

22, Rakhi Mahal, Dinshaw Wacha Road, Mumbai - 400 020. Tel.: 202206, 0827, Fax : 2047699

28

SCHEDULE "I"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2001.

1. SIGNIFICANT ACCOUNTING POLICIES:

i. Accounting system:

The financial statements are prepared on the basis of a going concern concept under historical cost convention on an accrual basis and are in accordance with the Companies Act, 1956.

ii. Fixed Assets:

a) Fixed Assets are stated at cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of fixed assets.

b) Expenditure related to and incurred during implementation of the project are included under the head capital work in progress and the same will be capitalised under the appropriate head on completion of the project.

c) Depreciation is to be provided on straight line basis at the rates provided in schedule XIV of the Companies Act, 1956, from the year of commencement of commercial production.

iii. Miscellaneous Expenditure:

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

2. The Company had entered into an Right to Use Agreement with Belgundi Cements Private Limited (BCPL) on 24th November, 1994. It had signed a Supplemental Agreement on 25th March, 1995 & 2nd April, 1998. As the assets are going to be put to the use for a long duration extending through the useful life of the assets, the said assets have been appropriately disclosed under Fixed Assets for the accounting purpose. The Company has not accounted the annual usage of Rs. 1.20 Cr. since the commercial operation of the Power Plant has not be commissioned and synchronised with the grid.

3. The Company has given Conditional Corporate Guarantee which is Contingent upon Non-performance of 1st Phase of the 5 MW Power Project.

4. The Company has agreed to issue shares at par to the promoters against the Share Application Money received within 30 days of Commercial Operations of Power Plant or in December 2002, whichever is earlier, and after allotment of additional shares, allot bonus shares to the shareholders within 60 days of Commercial Operations of Power Plant or in December 2002, whichever is earlier.

CERTIFIED TRUE COPY
For Global Energy Limited

.....2

Director

The details of Share Application Money received:

Sr. No	Name of the Promoters	Amount (in Rs.)	
1	Mr. Harry Dhaul	Rs. 2,00,00,000.00	
2	Mrs. Laxmi Dhaul	Rs. 3,00,00,000.00	Subject to Gift Deed dated 15 March, 2001
Total		Rs. 5,00,00,000.00	


5. Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs NIL (previous years Rs NIL).
6. Balances of Unsecured Loans, Loans & Advances and Creditors are subject to confirmation.
7. Previous years figures have been regrouped/ recast, wherever necessary.
8. Information pursuant to the provisions of part II of schedule VI of the Companies Act 1956 has been furnished to the extent applicable.

For UDAYAVAR DHANESH KUMAR & ASSOCIATES
CHARTERED ACCOUNTANTS


Dhanesh Kumar Udayavar
Proprietor

For and on behalf of Board of Directors:


Harry Dhaul
Director


Laxmi Dhaul
Director

Place : Mumbai
Date : 16th April, 2001

CERTIFIED TRUE COPY
For Global Energy Limited

Director

GLOBAL ENERGY LIMITED

EIGHTH ANNUAL REPORT

2001-2002

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



GLOBAL ENERGY LIMITED

22, Rakhi Mahal, Dinshaw Wacha Road, Mumbai - 400 020. Tel.: 2022206, 2020827, Fax: 2047100

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 29th 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 31st 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: 2047619

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 31st 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 1st Phase of Power Plant is expected to be fully operational by December 2002 and thereafter provide G & M support for the 2nd 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.

L. K. Shinde

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, 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.

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



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.

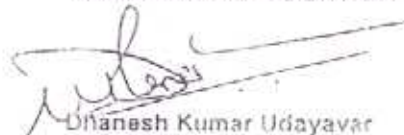
We report that:

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;



- 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 31st, March, 2002 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st, 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 : AGEDOMYER.
CHARTERED ACCOUNTANTS


Dhanesh Kumar Udayavar
Proprietor

Place : Mumbai

Date : 25/08/02

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.



3

- 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 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 10/11/2011

GLOBAL ENERGY LIMITED
BALANCE SHEET as at 31st. March, 2002

40

	Schedule	As at 31st. March, 2002	As at 31st. March, 2001
I SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
a) Share Capital	1	30,005,010.00	30,005,010.00
b) Reserves & Surplus	2	90,000,000.00	90,000,000.00
c) Share Application Money		58,000,000.00	50,000,000.00
LOAN FUNDS			
a) Secured Loans	3	7,697,000.00	
b) Unsecured Loans	4	518,750.00	624,750.00
TOTAL		186,220,760.00	170,629,760.00
II APPLICATION OF FUNDS			
FIXED ASSETS	5	209,165,134.00	200,453,583.00
INVESTMENTS			
CURRENT ASSETS, LOANS & ADVANCES			
a) Cash & Bank Balances	6	319,420.99	9,041.00
b) Loans & Advances	7	7,851,993.00	143,365.00
		8,171,413.99	152,406.00
Less: CURRENT LIABILITIES	8	31,429,037.99	30,269,479.00
NET CURRENT LIABILITIES		(23,257,624.00)	(30,137,073.00)
MISCELLANEOUS EXPENDITURE	9	313,250.00	313,250.00
TOTAL		186,220,760.00	170,629,760.00
Notes to Accounts	11		

As per our Report of even date

For UDAYAVAR DHANESH KUMAR & ASSOCIATES
Chartered Accountants

Dhanesh Kumar Udayavar
Proprietor

For and on behalf of Board of Directors

Harry Dhaul

Laxmi Dhaul

Place: Mumbai
Date: 28/03/02

GLOBAL ENERGY LIMITED

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

41

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

I INCOME

Income from Generation			
Other Income	10	980,000.00	480,000.00
TOTAL		980,000.00	480,000.00

II EXPENDITURE

Advertisement & Sponsorship Expenses	196,628.00	
Bank Charges	6,792.00	175.00
Electricity Charges	24,340.00	
Commission paid	25,000.00	
Office Rent	216,000.00	252,000.00
Hire Charges		312,000.00
Security Charges		83,415.00
Xerox Machine rental charges		67,932.00
Audit Fees	19,950.00	15,750.00
Conveyance	6,266.00	2,516.00
Telephone Expenses	869,927.00	
Courier Charges		1,025.00
Office Expenses		3,560.00
Printing & Stationery	6,202.00	
Miscellaneous Expenses	9,800.00	915.00
TOTAL	1,380,905.00	739,288.00

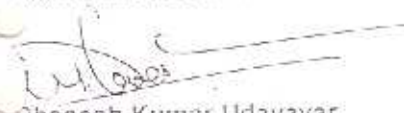
Profit / (Loss) for the year transferred to Work in Progress Account	(400,905.00)	(259,288.00)
---	---------------------	---------------------

Notes to Accounts

11


As per our Report of even date

For UDAYAVAR DHANESH KUMAR & ASSOCIATES
Chartered Accountants


Dhanesh Kumar Udayavar
Proprietor

For and on behalf of Board of Directors


Harry Dhaul


Laxmi Dhaul

Place: Mumbai

Date: 28/03/02

GLOBAL ENERGY LIMITED

42

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	50,000,000.00	50,000,000.00
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
	<u>30,005,010.00</u>	<u>30,005,010.00</u>
Schedule 2: RESERVES & SURPLUS		
Share Premium	90,000,000.00	90,000,000.00
	<u>90,000,000.00</u>	<u>90,000,000.00</u>
Schedule 3: SECURED LOANS		
ICES LTD. (against any immovable property of the Company or any of its promoters or a third party)	7,697,000.00	-
	<u>7,697,000.00</u>	<u>-</u>
Schedule 4: UNSECURED LOANS		
From Directors Fusion Energy Technologies Pvt. Ltd.	518,750.00	620,750.00 4,000.00
	<u>518,750.00</u>	<u>624,750.00</u>
Schedule 5: FIXED ASSETS		
Lease Hold Land	1,000,000.00	1,000,000.00
Fixed Deposition Power Plant Assets	150,000,000.00	150,000,000.00
Xerox Machine	40,000.00	40,000.00
Total - A	<u>151,040,000.00</u>	<u>151,040,000.00</u>
Capital Work in Progress		
Opening Balance at the beginning of the year	49,413,583.00	49,154,255.00
Add: Additions during the year	8,310,645.00	-
Total Additions	<u>8,310,645.00</u>	<u>-</u>
Add: Amount of Unabsorbed Revenue Expenditure	400,905.00	250,268.00
Total - B	<u>58,125,134.00</u>	<u>49,413,583.00</u>
Total Fixed Assets (A + B)	<u>209,165,134.00</u>	<u>200,453,583.00</u>

F

LD

2

GLOBAL ENERGY LIMITED

43

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st. March, 2002	As at 31st. March, 2001
<u>Schedule 6: CASH & BANK BALANCE</u>		
Cash in Hand	299,807.00	5,930.00
Balances with Scheduled Banks in Current Account	19,613.99	3,111.00
	<u>319,420.99</u>	<u>9,041.00</u>
<u>Schedule 7: LOANS & ADVANCES</u>		
(Unsecured and considered good)	7,851,993.00	143,365.00
Advances recoverable in cash or kind for the value to be received		
	<u>7,851,993.00</u>	<u>143,365.00</u>
<u>Schedule 8: CURRENT LIABILITIES</u>		
Sundry Creditors for Expenses	1,389,037.99	249,479.00
Other Liabilities	30,040,000.00	33,040,000.00
	<u>31,429,037.99</u>	<u>33,289,479.00</u>
<u>Schedule 9: MISCELLANEOUS EXPENDITURE</u>		
(to the extent not written off)		
Preliminary Expenses	190,750.00	190,750.00
Share Issue Expenses	122,500.00	122,500.00
	<u>313,250.00</u>	<u>313,250.00</u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

<u>Schedule 10: OTHER INCOME</u>		
Consultancy Charges received	500,000.00	
Reimbursement of expenses	480,000.00	480,000.00
	<u>980,000.00</u>	<u>480,000.00</u>



GLOBAL ENERGY LIMITED

22, Rakhi Mahal, Dinshaw Wacha Road, Mumbai - 400 020. Tel.: 2022205, 2020827 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.

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

Nil

7. 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

8. Payment to Auditors:

- Audit Fees

Rs. 19,950/- Rs. 15,750/-

9. Expenditure in Foreign Currency

Rs. Nil

Rs. Nil

10. CIF Value of Imports

- a) Components, Stores, fuel & Spare parts

Rs. Nil

Rs. Nil

- b) Capital goods

Rs. Nil

Rs. Nil

11. Earnings in Foreign Currency

Rs. Nil

Rs. Nil

12. Value of Stores, Spares parts & fuel consumed

- a) Imported

Rs. Nil

Rs. Nil

- b) Indigenous

Rs. Nil

Rs. Nil

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 1st 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

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 is the Director General of IPPAI
- Belgundi Cements P. Ltd	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. 80 lacs	Rs. Nil

(c) Amount due to / from related parties

<u>Amount Payable:</u>		
- Current Liabilities	Rs. 10.47 lacs	Rs. Nil
- Unsecured Loans	Rs. 5.19 lacs	Rs. 6.21 lacs
<u>Amount Receivable:</u>		
- 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: 28/08/12

For Global Energy Ltd.

Harry Dhaul

Laxmi Dhaul

GLOBAL ENERGY LIMITED

48

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-02		

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

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

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

Total Liabilities	1,862.21	Total Assets	1,862.21
<i>Sources of Fund</i>		<i>Application of Funds</i>	
Paid up Capital	300.05	Net Fixed Assets	2,091.65
Application money	580.00	Investments	0.00
Reserves & Surplus	900.00	Net Current Assets	-232.58
Secured loans	76.97	Misc. Expenditure	3.13
Unsecured loans	5.19	Accumulated Losses	0.00

IV. PERFORMANCE OF COMPANY (Rs. in Lacs)

Turnover including other Income	9.80	Total Expenditure	13.81
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
Proprietor

For and on behalf of Board

Director

Director

Date 25/08/02
Place Mumbai

GLOBAL ENERGY LIMITED

NINETH ANNUAL REPORT

2002-2003

GLOBAL ENERGY LIMITED

50

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 IIDFC - 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



GLOBAL ENERGY LIMITED

51

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 24th 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 31st 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: 29/08/03

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

52

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, 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.

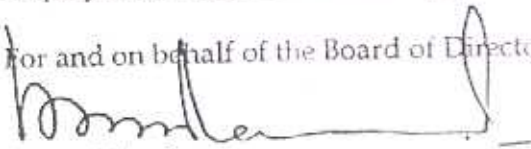
APPOINTMENT OF AUDITORS:

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.

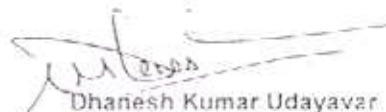
We report that:

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:
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;

10

- 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 31st March, 2003 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st 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 : 28/08/03

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

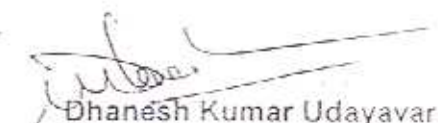
ANNEXURE TO THE AUDITORS REPORT

(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.

- 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


Dhanesh Kumar Udayavar
Proprietor

Place : Mumbai
Date : 28/03/03

GLOBAL ENERGY LIMITED

BALANCE SHEET as at 31st. March, 2003

59

	Schedule	As at 31st. March, 2003	As at 31st. March, 2002
I SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
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
LOAN FUNDS			
a) Secured Loans	3	7,697,000.00	7,697,000.00
b) Unsecured Loans	4	484,664.45	518,750.00
TOTAL		199,186,674.45	186,220,760.00
II APPLICATION OF FUNDS			
FIXED ASSETS	5	225,834,458.60	209,165,134.00
INVESTMENTS			
CURRENT ASSETS, LOANS & ADVANCES			
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
Less: CURRENT LIABILITIES	8	30,292,918.49	31,429,037.99
NET CURRENT LIABILITIES		(29,363,131.78)	(23,257,624.00)
MISCELLANEOUS EXPENDITURE	9	2,715,347.63	313,250.00
TOTAL		199,186,674.45	186,220,760.00
Notes to Accounts	11		

As per our Report of even date

For UDAYAVAR DHANESH KUMAR & ASSOCIATES
Chartered Accountants

Dhanesh Kumar Udayavar
Proprietor

For and on behalf of Board of Directors

Harry Dhaul

Laxmi Dhaul

Place: Mumbai
Date: 28/05/03

GLOBAL ENERGY LIMITED

60

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


	Schedule	As at 31st. March, 2003	As at 31st. March, 2002
I INCOME			
Income from Generation		-	-
Other Income	10	507,785.26	980,000.00
TOTAL		507,785.26	980,000.00
II EXPENDITURE			
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		208,961.00	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
TOTAL		1,087,668.09	1,380,905.00
Profit / (Loss) for the year transferred to Work in Progress Account		(579,882.83)	(400,905.00)

Notes to Accounts

11


As per our Report of even date

For UDAYAVAR DHANESH KUMAR & ASSOCIATES
Chartered Accountants


Dhanesh Kumar Udayavar
Proprietor

For and on behalf of Board of Directors


Harry Dhaul


Laxmi Dhaul

Place: Mumbai
Date: 28/08/03

GLOBAL ENERGY LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

61

As at 31st. 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	58,125,134.00	49,413,583.00
Opening Balance at the beginning of the year	15,955,140.77	8,310,646.00
Add: Additions during the year	15,955,140.77	8,310,646.00
<i>Total Additions</i>	579,882.83	400,905.00
Add: Amount of unabsorbed Revenue Expenditure		
Total - B	74,660,157.60	58,125,134.00
Total Fixed Assets (A + B)	225,834,458.60	209,165,134.00

[Signature]

[Signature]

[Signature]

GLOBAL ENERGY LIMITED

62

SCHEDULES FORMING PART OF BALANCE SHEET

As at 11st. March, 2003	As at 31st. March, 2002
-------------------------	-------------------------

Schedule 6: CASH & BANK BALANCE

Cash in Hand	296,614.00	299,807.00
Balances with Scheduled Banks in Current Account	7,255.64	19,613.99
	<u>306,079.64</u>	<u>319,420.99</u>

Schedule 7: LOANS & ADVANCES

(Unsecured and considered good)	623,707.07	7,851,993.00
Advances recoverable in cash or kind for the value to be received		
	<u>623,707.07</u>	<u>7,851,993.00</u>

Schedule 8: CURRENT LIABILITIES

Sundry Creditors for Expenses	513,718.49	1,369,037.99
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	
	<u>2,715,347.63</u>	<u>313,250.00</u>

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>

[Handwritten signature]

[Handwritten signature]



GLOBAL ENERGY LIMITED

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

63

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

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

[Handwritten signature]

[Handwritten signature]

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
- Reimbursement 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

(c) Amount due to / from related parties

Amount Payable:

Current Liabilities

Rs. 10.47 lacs Rs. 10.47 lacs

Unsecured Loans

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

For Global Energy Ltd.


Dhanesh Kumar & Udayavar
Proprietor



Harry Dhaul Laxmi Dhaul

Place: Mumbai
Date: 28/08/03

GLOBAL ENERGY LIMITED

TENTH ANNUAL REPORT

2003-2004

GLOBAL ENERGY LIMITED

69

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

Directors	: Shri. Harry Dhaul Smt. Laxmi Dhaul Shri. Mikhail 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 Wacha Road Churchgate Mumbai 400020 Tel: 022 22022206 : D-25/B, NDSE Part-II, New Delhi 110 049 Tel: 011 51551295 : 3081, Nandlanam, 6 th Main, 2 nd Stage, Bangalore -8, Tel: 080 5125 4958
Power Plant	: Village : Belgundi District : Belgaum 591108 Tel: 0831 552401/ 249



GLOBAL ENERGY LIMITED

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

70

NOTICE

Shorter Notice is hereby given that the Annual General Meeting of the members of Global Energy Limited will be held on Monday, the 16th 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 31st March, 2004 and the reports of Director's and Auditor's 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 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:

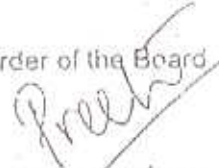
4. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"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 Dhaul 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.

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

"RESOLVED THAT pursuant to section 146 and other applicable provision of the Companies Act, 1956, approval of the Company be and is hereby given for shifting of the registered office of the Company from Chalet Dillon, St. John Vaddo, Marra-Pilerne Bardez, Goa - 403114 to C-301, House of Lords, Opp. Marriot Hotel, Miramar, Panaji, Goa - 403001.

By the order of the Board



Presti Dahiwa
Company Secretary

Place : New Delhi
Dated: August 14, 2004

NOTES:

1. A member is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy 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 aforesaid 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 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 - 403001.

None of the Directors are interested in the said resolution.



GLOBAL ENERGY LIMITED

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

73

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, 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 28th 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-

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 Dhanash & 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. Budhraj Adlakha and Co. were appointed as internal auditors to carry out the internal audit of the Company.

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

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.

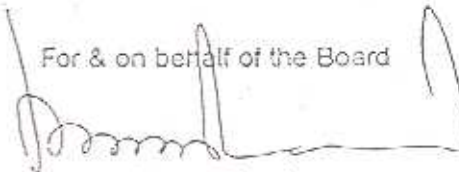
To the best of our knowledge, the Statutory Auditors have conducted comprehensive audits to provide reasonable assurance that the established policies and the procedures of the Company have been followed for safeguarding the assets.

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 Dhaul
Chairman

Place : New Delhi
Dated : August 14, 2004

AUDIT REPORT

77

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.



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


UDAYAVAR DHANESH KUMAR & ASSOCIATES
CHARTERED ACCOUNTANTS

52 ABC Telwala Chawl, G.D. Ambekar Marg, Opp. Spring Mill
Chawl No.5, Naigaum, Dadar (East), Mumbai - 400 014.
☎ : 2417 3712 • E-mail:udhanesh@hotmail.com

78

- v. On the basis of the written representations received from the directors, as on 31st March 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st 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 31st 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


DHANESH KUMAR UDAYAVAR
Proprietor



Place: New Delhi
Date: 14th August 2004

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.

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.

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.

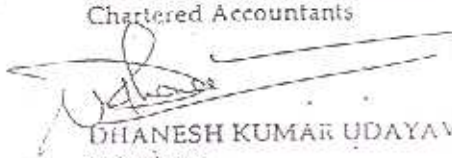


10. In our opinion and according to the information and explanations given to us, the transactions made pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs only in respect of any party during 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 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, 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 31st 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.



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 31st 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: 14th August 2004


GLOBAL ENERGY LIMITED

82

Balance Sheet As At 31st. March 2004

	Schedule No.	As at 31st. March, 2004	As at 31st. March, 2003
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
a) Share Capital	1	70,005,010.00	48,005,010.00
b) Reserves & Surplus	2	95,137,784.02	90,000,000.00
c) Share Application Money		108,110,600.00	53,000,000.00
LOAN FUNDS			
a) Secured Loans	3	11,323,739.67	7,697,000.00
b) Unsecured Loans	4	-	484,661.45
DEFERRED TAX LIABILITY		2,478,609.00	-
TOTAL		287,055,742.69	199,186,674.45
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	320,811,191.27	151,174,301.00
Less: Depreciation		18,833,314.00	-
Net Block		301,977,877.27	151,174,301.00
INVESTMENTS			
Capital Work in Progress	6	-	74,660,157.83
CURRENT ASSETS, LOANS & ADVANCES			
a) Cash & Bank Balances	7	16,787,744.44	306,879.04
b) Sundry Debtors	8	25,414,196.06	-
c) Inventories		360,837.91	-
d) Loans & Advances	9	17,271,033.27	623,707.07
		59,833,811.68	929,786.71
Less: CURRENT LIABILITIES & PROVISIONS	10	75,006,546.26	30,292,918.49
NET CURRENT ASSETS		(15,172,734.58)	(29,563,131.78)
MISCELLANEOUS EXPENDITURE	11	250,600.00	2,715,788.45
TOTAL		287,055,742.69	199,186,674.45
Significant Accounting Policies & Notes to Accounts			
	20		

Udayavar Dhanesh Kumar & Associates


Udayavar Dhanesh Kumar
Proprietor

Delhi

14th, August 2004



For and on behalf of Board of Directors



Harry Dhaul



Udayavar Dhanesh Kumar

GLOBAL ENERGY LIMITED

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

83

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

1. INCOME

Income from Operations	12	53,457,834.73	-
Sale of Electricity		20,000.00	-
Other Income	13	7,065,268.07	507,785.26
TOTAL		55,543,102.80	507,785.26

2. EXPENDITURE

Power Plant Purchases	14	354,671.62	-
Power Plant Direct Expenses	15	1,495,517.74	-
Personnel Expenses	16	1,977,103.35	16,643.00
Operating Expenses	17	5,402,213.53	592,152.00
Selling & Administration Charges	18	16,717,173.09	432,560.00
Interest & Financial Charges	19	157,018.82	26,363.09
Directors Remuneration		75,000.00	19,950.00
Provision		18,833,314.00	-
Deferred Revenue Expenditure w/off		2,402,097.63	-
Preliminary Expenses W/off		62,650.00	-
TOTAL		47,476,709.78	1,087,668.09

Profit / (loss) for the year transferred to Capital Work in Progress Account (579,852.83)


Profit Before Tax	8,066,393.02	-
Less: Provision for Tax	450,000.00	-
Profit after Tax	7,616,393.02	-
Less: Deferred Tax Expense	2,478,609.00	-
	5,137,784.02	-
Balance carried over to Balance Sheet	5,137,784.02	-

Significant Accounting Policies & Notes to Accounts

20

For Udayavet Dhanesh Kumar & Associates

For and on behalf of Board of Directors


Dhanesh Kumar Udayavet
Proprietor


Harry Dhand


Lakshmi Dhand

Place: Delhi

Date: 14th. August 2004



GLOBAL ENERGY LIMITED

84

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.)

150,000,000.00

50,000,000.00

Issued, Subscribed & Paid up Capital

70,00,501 Equity Shares of Rs. 10/- each.

(Previous Year : 48,00,501 Equity Shares)

70,005,010.00

48,005,010.00

70,005,010.00

48,005,010.00

Schedule 2: RESERVES & SURPLUS

Share Premium

90,000,000.00

90,000,000.00

Profit & Loss Account

5,137,784.02

95,137,784.02

90,000,000.00

Schedule 3: SECURED LOANS

Third party

(Secured against the immovable properties of the promoters)

7,697,000.00

7,697,000.00

Car Loans

(Secured against hypothecations of cars of the Company)

3,626,739.67

11,323,739.67

7,697,000.00

Schedule 4: UNSECURED LOANS

From Director

484,664.45

484,664.45



65

Schedule 5: PUNCH ASSETS

ISSUED

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	As on 31-Mar-04	W.D. V as on 31-Mar-03
Leasehold 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	293,350,855.27
Computers	119,000.00	1,296,681.00	1,415,681.00	-	242,467.00	1,173,214.00
Office Equipment	55,301.00	646,300.00	701,601.00	-	81,749.00	619,852.00
Motor Car	-	5,745,863.00	5,745,863.00	-	336,619.00	5,409,244.00
	151,174,301.00	169,212,178.27	320,386,479.27	-	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	301,977,877.27
Previous Year	151,040,000.00	134,301.00	151,174,301.00	-	-	151,174,301.00



GLOBAL ENERGY LIMITED

86

SCHEDULES FORMING PART OF BALANCE SHEET

Schedule 6: WORK IN PROGRESS

	As at 31st. March, 2004	As at 31st. March, 2003
Opening Balance at the beginning of the year	74,660,157.60	58,125,134.00
Add: Additions of Capital Expenditure during the year	-	15,955,140.77
Less: Expenses incurred upto Commencement of Commercial Operations	4,721,436.67	-
Total Additions	79,381,594.27	74,080,274.77
Add: Amount of unabsorbed Revenue Expenditure	-	579,882.83
	79,381,594.27	74,660,157.60
Less: Amount Capitalised	79,381,594.27	-
	-	74,660,157.60

Schedule 7: CASH & BANK BALANCES

Cash in Hand	3,219,910.53	298,614.00
Balances with Scheduled Banks in Current Account	13,567,833.91	7,263.64
	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

38,618,620.00

Sundry Creditors for Expenses

3,308,704.58

513,718.49

Other Liabilities

32,629,221.68

29,779,300.00

Provisions

Provision for Taxation

450,000.00

75,006,546.26

30,292,918.49



121

GLOBAL ENERGY LIMITED

87

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st. March, 2004	As at 31st. March, 2003
<u>Schedule 11: MISCELLANEOUS EXPENDITURE</u>		
(to the extent not written off)		
Preliminary Expenses	190,750.00	190,750.00
Share Issue Expenses	122,500.00	122,500.00
	313,250.00	313,250.00
Less: written off during the year:	62,650.00	
	250,600.00	313,250.00
Deferred Revenue Expenses	2,402,097.63	2,402,097.63
Less: written off during the year	2,402,097.63	
		2,402,097.63
	250,600.00	2,715,347.63



GLOBAL ENERGY LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

88

As at 31st. March,
2004

As at 31st. March,
2003

Schedule 12: INCOME FROM OPERATIONS

Sale of Power	359,571,995.25	
Less: Purchase of Power	306,114,160.52	
	<u>53,457,834.73</u>	

Schedule 13: OTHER INCOME

Compensation received	1,500,000.00	480,000.00
Miscellaneous Income	490,000.00	
Interest Income	448.59	27,785.26
Sale of Scrap	35,485.00	
Insurance Claim recd.	29,469.00	
Discount recd.	9,865.48	
	<u>2,065,268.07</u>	<u>507,785.26</u>

Schedule 14: POWER PLANT PURCHASES

Opening Stock		
Add: Purchases	715,509.53	
	<u>715,509.53</u>	
Less: Closing Stock	360,837.91	
	<u>354,671.62</u>	

Schedule 15: POWER PLANT DIRECT EXPENSES

Consumables	422,708.74	
Wages	41,760.00	
Repairs & Maintenance	997,847.00	
Other Expenses	33,202.00	
	<u>1,495,517.74</u>	

Schedule 16: PERSONNEL EXPENSES

Staff Salaries	1,266,228.00	16,643.00
Directors Salary	487,000.00	
Welfare	223,875.35	
	<u>1,977,103.35</u>	<u>16,643.00</u>

Schedule 17: OPERATING EXPENSES

Telephone & Communication	1,401,582.68	208,981.00
Electricity Charges	361,400.85	57,341.00
Legal & Professional fees	2,629,200.00	325,000.00
	<u>5,402,213.53</u>	<u>592,182.00</u>



1260228
30.3.2004

GLOBAL ENERGY LIMITED

89

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

As at 31st March,
2004

As at 31st March,
2003

Schedule 18: SELLING & ADMINISTRATION EXPENSES

Travelling & Conveyance	5,429,914.99	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	26,363.09
Interest on Car Loans	19,156.67	-
	<u>157,018.82</u>	<u>26,363.09</u>



121

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

I) 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. 28th 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 on full on the basis 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.

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.

II) Notes to Accounts

1. Sale of Electricity:

The Company has marginal income from generation of power since the power plant operations have not commenced, though the trial runs were successfully completed and the Power Plant became operational on 28th October 2003. The company has not accounted for bills raised to Karnataka Power Transmission Corporation Limited for the power generated since the matter is sub-judice.

2. Fixed Assets

Fixed Assets include, Power Plant acquired by the Company from Belgaum 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 Belgaum 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. 28th October 2003) of the Power Plant becoming operational is capitalised in the Books of Accounts.

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.

CHARTERED
ACCOUNTANTS
128/129, 130/131

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 ---6.	Rs. 92.27 lacs	NIL

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

- (a) Rs. 73.09 Lacs being transmission charges claimed by one of the Company's customers.
- (b) 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

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

- 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 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.

As at 31.03.2023

(14) Value of Imports on C.I.F. basis

NIL

(15) Expenditure in Foreign Currencies
Travelling Expenses (Rs. In Lacs)

15.22

(16) Earning in Foreign Currencies

NIL

(17) Managerial Remuneration

NIL

(18) Details of Raw Material Consumption

(a) Raw Material Consumed

Qty. (M. Tonnes)

Rs. Crores

(b) Imported & Indigenous

2,551.40

NIL

(c) Imported

2,551.40

NIL

(d) Indigenous

100.00%

NIL

(19) Details of Licensed & Installed Capacity.

Production Stocks & Turnover

(a) Total of Goods

(b) Licensed Capacity

(c) Installed Capacity

(d) Production/ Purchase

(e) Stock at commencement

(f) Turnover

5 Megawatts

5 Megawatts

1442200 units

NIL

NIL

N.A.

N.A.

NIL

NIL

NIL

(20) Trading of Electricity

(a) Licensed Capacity

(b) Installed Capacity

(c) Production/ Purchase

(d) Stock at commencement

(e) Sales at a house

(f) Turnover

N.A.

N.A.

162.2 Mill Units

NIL

NIL

N.A.

N.A.

NIL

NIL

NIL

160.91 Mill Units

NIL

Note: For Trading Activity

1. Quantity of electricity sold as per bills accounted and quantity of sales is as per Bill. (As per Bill)

2. Transmission loss is 10.22% Mill units is due to transmission of electricity.

(Nil, thus there is a mismatch in quantities)



GLOBAL ENERGY LIMITED

(20) Related Party Disclosure

Name of the Party	Party Detail	Grand Detail	Kumar Detail	Kishor Detail	Pan Detail	May 1st Detail	India Electrom Exchange Ltd	IPFAT (IEF)
-------------------	--------------	--------------	--------------	---------------	------------	----------------	--------------------------------	----------------

Relationship	Promoter, Shareholder & Managing Director	Promoter, Shareholder & Director	Director	Director	Promoter & Shareholder	Promoter & Shareholder	Associate Company	Director are trustee of the trust.
--------------	--	--	----------	----------	---------------------------	---------------------------	-------------------	---------------------------------------

Nature	a) Refund of Share Application Money by reporting enterprise	Refund of Share Application Money by reporting enterprise	Registration	Registration	Professional fees paid by the reporting enterprise	Professional fees paid by the reporting enterprise	Expenses incurred by the reporting enterprise for which reporting enterprise shares are allotted.	Compensation received by the reporting enterprise
b) Receipt of Share Application Money	Receipt of Share Application Money							Shareholding fees paid
c)								Business Development

Amount (Rupees)	a)	2,785,000	3,190,400	232,800	255,000	142,500	200,000	12,903,829	1,500,000
	b)	2,500,000	1,500,000						397,704
	c)								(,273,000)

Director/Shareholder	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Amount received of	No	No	No	No	No	No	No	No	No



Note: All related party transactions are disclosed. Apart from the above the following are related parties:

Name of the Party: Relationship

1) Related party: Associate Company
2) Related party: Directors are partners in the firm

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

For Udayavar Dhanesh Kumar & Associates

(Director)
Harry Dhaul

(Director)
Laxmi Dhaul

Dhanesh Kumar Udayavar
Proprietor



Place: Delhi

Date: 14th. August 2004

GLOBAL ENERGY LIMITED

ELEVENTH ANNUAL REPORT

2004-2005

CERTIFIED TRUE COPY
For Global Energy Limited


Director

GLOBAL ENERGY LIMITED

C-301, House of Lords, Opp Marriott,
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 Marriott, 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 th Main, 13 th Cross, Bangalore
Power Plant	Village: Belgundi District: Belgaum 591108

CERTIFIED TRUE COPY
For Global Energy Limited


Director

GLOBAL ENERGY LIMITED

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

98

NOTICE

Shorter Notice is hereby given that the Annual General Meeting of the members of Global Energy Ltd will be held on Monday, the 16th 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.

CERTIFIED TRUE COPY

For Global Energy Limited

Director

By the order of the Board

Harry Dhaul
Managing Director

Date: Mumbai

Dated: 23rd April 2006

Notes:

1. Any member entitled to appoint a proxy to attend and vote in person at the meeting of the company, shall be entitled to do so by appointing a proxy to attend and vote at the meeting of the company, provided that the proxy is not less than 48 hours before the date of the meeting and must be in writing.

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 23rd 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.

CERTIFIED TRUE COPY



GLOBAL ENERGY LIMITED

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

CERTIFIED TRUE COPY



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 13th 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 31st March, 2005

FIXED DEPOSITS

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

CERTIFIED TRUE COPY



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
 - a. Total foreign exchange earning NIL
 - b. 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 attended 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 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 31st March 2005.

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

CERTIFIED TRUE COPY

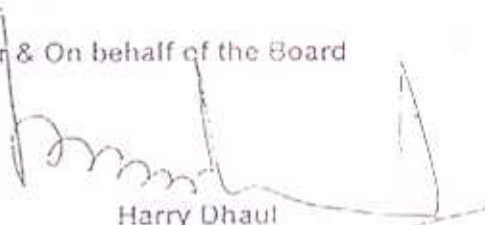
The financial statements have been audited by Mr. V. V. Ketkar, Chartered Accountants, the Statutory Auditors of the Company.

103

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 : 23rd April 2006

CERTIFIED TRUE COPY



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, 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 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

On the basis of the written representation received from the directors, as on 31st March 2005 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31st March 2005 from being appointed as a directors in terms of clause (b) of sub section (3C) of section 274 of the Companies Act, 1956.



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 31st 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: 23rd April, 2006

CERTIFIED TRUE COPY



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 Balance Outstanding during the year (Rs.)
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

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 entered.

CERTIFIED TRUE COPY

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, 1936 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, 1936 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, 1936 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 31st March 2003 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	52,319	18-11-2006
Professional Fees	71,014	18-11-2006
Rent	20,581	18-11-2006
Salary	11,506	18-11-2006

(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. 1,149,488 during the financial year covered by an audit or in the immediately preceding financial year.

CERTIFIED TRUE

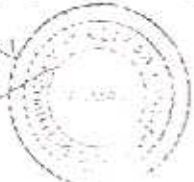



V V Ketkar
Chartered Accountant
110, Hindu Colony, Dadar, Mumbai 400014
Phone 30928030

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 31st 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.

CERTIFIED TRUE COPY

V V Ketkar
Chartered Accountant
Mem No 047388

Place: Mumbai
Date: 27th April 2005

Balance Sheet As At 31st. March 2005

109

Schedule No.	As at 31st. March, 2005	As at 31st. March, 2004
--------------	-------------------------	-------------------------

1 SOURCES OF FUNDS

SHAREHOLDERS FUNDS

a) Share Capital	1	70,005,010.00	70,005,010.00
b) Reserves & Surplus	2	75,690,962.57	95,137,784.02
c) Share Application Money		102,613,540.70	108,110,600.00

LOAN FUNDS

a) Secured Loans	3	11,621,832.64	11,323,739.67
b) Unsecured Loans	4	1,917,000.00	

DEFERRED TAX LIABILITY

2,478,609.00

TOTAL

264,848,195.91

287,055,742.69

II APPLICATION OF FUNDS

FIXED ASSETS

Gross Block	5	325,335,538.27	320,811,191.27
Less: Depreciation		31,248,716.39	18,833,314.00
Net Block		292,086,821.88	301,977,877.27

INVESTMENTS

CURRENT ASSETS, LOANS & ADVANCES

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		200,732.91	350,837.91
e) Loans & Advances	8	21,011,093.86	17,271,033.27
		44,097,612.87	59,833,811.68

Less: CURRENT LIABILITIES & PROVISIONS

73,205,219.63

75,006,516.26

NET CURRENT ASSETS

(29,107,606.76)

(15,172,734.58)

DEFERRED TAX ASSET

945,764.79

MISCELLANEOUS EXPENDITURE

923,216.00

250,600.00

TOTAL

264,848,195.91

287,055,742.69

Significant Accounting Policies & Notes to Accounts

19

VY Nataraj
Chartered Accountant
Firm Name: 12345
M. No. 12345

Date: 23rd. April 2005
Place: Mumbai



For and on Behalf of Board of Directors

Harry Dhaul

Karan Dhaul

Date: 23rd. April 2005
Place: Mumbai

CERTIFIED TRUE COPY
For Global Energy Limited

Director

GLOBAL ENERGY LIMITED

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

	Schedule No.	As at 31st. March, 2005	As at 31st. March, 2004
I. INCOME			
Income from Operations	11	9,356,737.39	53,437,834.73
Sale of Electricity			20,000.00
Other Income	12	7,969,672.19	2,055,268.07
TOTAL		17,326,409.78	55,543,102.80
II. EXPENDITURE			
Power Plant Purchases	13	256,305.00	354,671.67
Power Plant Direct Expenses	14	1,028,465.70	1,495,517.71
Personnel Expenses	15	1,688,126.50	1,977,103.35
Operating Expenses	16	3,995,889.50	5,402,213.53
Selling & Administration Charges	17	14,350,693.55	16,717,123.09
Interest & Financial Charges	18	772,868.05	157,016.82
Rat. Fees		17,379.00	
Auditors Remuneration		75,000.00	75,000.00
Depreciation		12,415,402.39	18,833,311.00
Deferred Revenue Expenditure w/oil.			2,102,097.65
Preliminary Expenses W/oil		97,475.00	62,650.00
TOTAL		37,197,605.02	47,476,709.78
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
Add: Opening Balance		5,137,784.02	
		(11,309,037.43)	5,137,784.02
Balance carried over to Balance Sheet		(11,309,037.43)	5,137,784.02

Significant Accounting Policies & Notes to Accounts

19

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



For and on Behalf of Board of Directors

(Larry Dhaul)

Karan Dhaul

Date: 23rd. April 2006
Place: Mumbai

Date: 23rd. April 2006
Place: Mumbai

CERTIFIED TRUE COPY
For Global Energy Limited

Director

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

90,000,000.00

90,000,000.00

Profit & Loss Account

(11,309,037.43)

5,137,784.02

78,690,962.57

95,137,784.02

Schedule 3: SECURED LOANS

Third party

7,697,000.00

7,697,000.00

(Secured against the immovable properties of the promoters)

Car & Equipment Loans

3,924,882.64

3,626,739.67

(Secured against hypothecations of cars of the Company)

11,621,882.64

11,323,739.67

Schedule 4: UNSECURED LOANS

from Director & Relatives

1,330,000.00

Inter Corporate Deposit

567,000.00

1,917,000.00



CERTIFIED TRUE COPY
For Global Energy Limited

Director

GLOBAL ENERGY LIMITED

Schedule 5: FIXED ASSETS

Particulars	Gross Block		Cost as on 31-Mar-05	Depreciation		Net Block	
	Cost as on 01-Apr-04	Additions during the year		As on 01-Apr-04	Depreciation for the year	W.D.V as on 31-Mar-05	W.D.V as on 31-Mar-04
Freehold Land	1,000,000.00	-	1,000,000.00	-	-	1,000,000.00	1,000,000.00
Power Plant	311,523,334.27	6,400.00	311,619,734.27	18,172,477.00	10,096,479.39	283,350,775.88	283,350,855.27
Computers	1,415,681.00	2,105,573.00	3,521,254.00	242,467.00	786,949.00	2,491,838.00	1,173,214.00
Office Equipment	701,601.00	262,409.00	964,010.00	81,749.00	120,150.00	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	4,017,824.00	5,400,244.00
Furniture & Fixtures	-	47,775.00	47,775.00	-	8,234.00	39,541.00	-
Office Renovation	424,712.00	-	424,712.00	-	-	424,712.00	424,712.00
	320,386,479.27	2,524,347.00	322,910,826.27	18,833,314.00	12,415,402.39	291,662,109.88	301,553,165.27
Grand Total	320,811,191.27	2,524,347.00	323,335,538.27	18,833,314.00	12,415,402.39	292,086,821.88	301,977,877.27
Previous Year	151,174,301.00	159,636,890.27	320,811,191.27	-	18,833,314.00	320,811,191.27	-

CERTIFIED TRUE COPY

For Global Energy Limited

Director

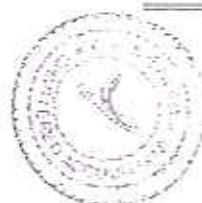


GLOBAL ENERGY LIMITED

113

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st. March, 2005	As at 31st. March, 2004
<u>Schedule 6: CASH & BANK BALANCES</u>		
Cash in Hand	3,809,343.75	3,219,910.53
Balances with Scheduled Banks in Current Account	901,885.76	13,367,833.91
	<u>4,711,229.51</u>	<u>16,587,744.44</u>
<u>Schedule 7: SUNDRY DEBITORS</u>		
(Unsecured and considered good)		
more than six months	18,109,447.65	
Others	65,058.74	25,411,196.06
	<u>18,174,506.39</u>	<u>25,411,196.06</u>
<u>Schedule 8: LOANS & ADVANCES</u>		
(Unsecured and considered good)		
Advances recoverable in cash or kind for the value to be received	21,011,093.86	17,171,033.27
	<u>21,011,093.86</u>	<u>17,171,033.27</u>
<u>Schedule 9: CURRENT LIABILITIES & PROVISIONS</u>		
<u>Current Liabilities</u>		
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
<u>Provisions</u>		
Provision for Taxation	450,000.00	450,000.00
	<u>73,205,219.63</u>	<u>75,006,546.26</u>
<u>Schedule 10: MISCELLANEOUS EXPENDITURE</u>		
(to the extent not written off)		
Preliminary Expenses	250,600.00	190,750.00
RCC Fees & Stamp Duty Expenses	770,091.00	122,500.00
	<u>1,020,691.00</u>	<u>313,250.00</u>
Less: written off during the year	97,475.00	62,650.00
	<u>923,216.00</u>	<u>250,600.00</u>



CERTIFIED TRUE COPY
For Global Energy Limited

Director

GLOBAL ENERGY LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

114

Schedule 11: INCOME FROM OPERATIONS

	As at 31st. March, 2005	As at 31st. March, 2004
Sale of Power	102,311,303.00	359,371,993.77
Less: Purchase of Power & Incidental Exps.	92,954,565.41	306,114,169.52
	<u>9,356,737.59</u>	<u>53,257,824.25</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	1,301.82	445.59
Sale of Scrap		35,485.00
Insurance Claim recd.	139,760.00	29,469.00
Discount Received	1,172.00	9,865.45
	<u>7,969,672.19</u>	<u>2,065,265.04</u>

Schedule 13: POWER PLANT PURCHASES

Opening Stock	360,837.91	
Add: Purchases	96,250.00	715,509.53
	<u>457,087.91</u>	<u>715,509.53</u>
Less: Closing Stock	200,752.91	360,837.91
	<u>256,335.00</u>	<u>354,671.62</u>

Schedule 14: POWER PLANT DIRECT EXPENSES

Consumables	64,743.20	122,705.74
Wages	493,010.30	11,760.00
Repairs & Maintenance	13,841.00	997,847.00
Other Expenses	456,871.00	33,202.00
	<u>1,028,465.50</u>	<u>1,493,514.74</u>

Schedule 15: PERSONNEL EXPENSES

Staff Salaries	1,131,272.00	1,266,278.00
Directors Salary	458,500.00	487,000.00
Staff Welfare	98,354.50	223,875.35
	<u>1,688,126.50</u>	<u>1,977,153.35</u>

Schedule 16: OPERATING EXPENSES

Telephone & Communication	1,542,945.65	1,101,581.58
Electricity Charges	526,619.15	361,400.35
Legal & Professional fees	3,626,325.40	3,649,230.50
	<u>5,995,889.80</u>	<u>5,401,311.93</u>



CERTIFIED TRUE COPY
For Global Energy Limited

Director

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	7,965,564.72	5,429,914.59
Printing & Stationery	270,453.60	777,324.00
Repairs & Maintenance	2,451,447.60	3,085,765.25
Hotel & Guest House Expenses	612,447.35	1,677,537.46
Advertisement & Sponsorship Expenses	206,026.00	1,459,134.46
Computer & Data Processing Expenses	3,337.00	2,714,268.00
Vehicle Running & Maintenance Expenses	885,902.15	227,203.90
Office Rent	2,182,761.00	927,649.23
Miscellaneous Expenses	269,552.13	876,325.80
	<u>14,850,693.55</u>	<u>16,717,123.09</u>

Schedule 18: INTEREST & FINANCIAL CHARGES

Bank Charges	562,713.11	137,862.15
Interest on Car & Equipment Loans	210,124.97	19,156.67
	<u>772,838.08</u>	<u>157,018.82</u>



CERTIFIED TRUE COPY
For Global Energy Limited

Director

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 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 1st 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.

CERTIFIED TRUE COPY



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

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 debts 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 on 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.

CERTIFIED TRUE COPY



GLOBAL ENERGY LIMITED

	As at 31.03.2005	As at 31.03.2004	Rs. in Lakhs
--	------------------	------------------	--------------

1) As per Report of C.E. Board

2) As per Report of C.E. Board

3) As per Report of C.E. Board

4) As per Report of C.E. Board

5) As per Report of C.E. Board

6) As per Report of C.E. Board

7) As per Report of C.E. Board

8) As per Report of C.E. Board

9) As per Report of C.E. Board

10) As per Report of C.E. Board

11) As per Report of C.E. Board

12) As per Report of C.E. Board

13) As per Report of C.E. Board

14) As per Report of C.E. Board

15) As per Report of C.E. Board

16) As per Report of C.E. Board

17) As per Report of C.E. Board

18) As per Report of C.E. Board

19) As per Report of C.E. Board

20) As per Report of C.E. Board

21) As per Report of C.E. Board

CERTIFIED TRUE COPY



	President, Board of Directors & Managing Director	Director	Liaison Officer	President & Shareholder	Associate Company	Directors (in office currently)

	Rebulet of Share Application Money received by reporting enterprise	Rebulet of Share Application Money received by reporting enterprise	Rebulet of Share Application Money received by reporting enterprise	Professional fee paid by the reporting enterprise	Professional fee received by the reporting enterprise	Expected income received by the reporting enterprise for which reporting enterprise shares are to be allocated	Compensation received by the reporting enterprise for which reporting enterprise shares are to be allocated
a)	Rebulet of Share Application Money received by reporting enterprise	Rebulet of Share Application Money received by reporting enterprise	Rebulet of Share Application Money received by reporting enterprise	Professional fee paid by the reporting enterprise	Professional fee received by the reporting enterprise	Expected income received by the reporting enterprise for which reporting enterprise shares are to be allocated	Compensation received by the reporting enterprise for which reporting enterprise shares are to be allocated
b)	Rebulet of Share Application Money received by reporting enterprise	Rebulet of Share Application Money received by reporting enterprise	Rebulet of Share Application Money received by reporting enterprise	Professional fee paid by the reporting enterprise	Professional fee received by the reporting enterprise	Expected income received by the reporting enterprise for which reporting enterprise shares are to be allocated	Compensation received by the reporting enterprise for which reporting enterprise shares are to be allocated
c)	Rebulet of Share Application Money received by reporting enterprise	Rebulet of Share Application Money received by reporting enterprise	Rebulet of Share Application Money received by reporting enterprise	Professional fee paid by the reporting enterprise	Professional fee received by the reporting enterprise	Expected income received by the reporting enterprise for which reporting enterprise shares are to be allocated	Compensation received by the reporting enterprise for which reporting enterprise shares are to be allocated

[illegible]

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

Name of the Party

Relationship

1) Delight Cement Ltd.
2) Tanned India

Associate Company
 Officers are members in the firm.



CERTIFIED TRUE COPY

(91)

GLOBAL ENERGY LIMITED

121

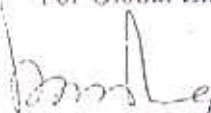
23. CALCULATION OF EARNING PER SHARE:-

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.

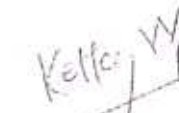
25. Previous year figures have been regrouped and re-cast wherever necessary.

For Global Energy Limited

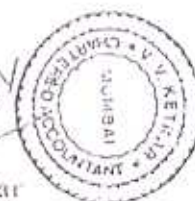

Harry Dhaul
(Director)




Karan Dhaul
(Director)


V.V. Ketkar

(Chartered Accountant)
Membership No 047388



Place : Mumbai

Date : 23rd. April 2006

CERTIFIED TRUE COPY

For Global Energy Limited


Director

ORGANISATION

ENCLOSURE - VII

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

Chairman & Managing Director

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.

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.

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

Director

Maj. Gen. Pathania (Retd.) is a 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.

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.

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.

Unni Viswanathan

Vice President – Operations

Unni is a graduate in Commerce, with 15 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

Asst Vice President – 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 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.

Sikander Shah

Vice President – Business Development & Information Systems

A post graduate in Management with more than seven years of experience in the Indian Power Sector, Sikander has specialised in sales, marketing, industry research and information services. He oversees market development, knowledge management and research, customer profiling and other related aspects.

Zuberahmed. G. Jinabade

Senior Manager – System Operations

Zuberahmed is an Electrical engineer, with over 20 years of experience. He has worked with many industry majors, including BSES Limited. He is experienced in installation, testing, commissioning and operation of Electrical equipments for thermal generation stations and has been actively involved in setting up GEL's power station. He supervises the day to day operations of the generation division and system operations at GEL, responsible for technical compliances / requirements.

Global Energy Limited is also working closely with leading and reputed financial, legal, consulting, quasi government and government agencies in the power sector.

125

GLOBAL ENERGY LIMITED - PROJECT HIGHLIGHTS

ENCLOSURE - VII

LOCATION

Global Energy Limited has a 5 MW Thermal Power Plant established at Village Belgundi, District Belgaum, Karnataka. The Belgundi village is 15 km from the City of Belgaum.

The **generating unit** consists of a boiler, a turbine with its accessories, a generator, unit transformer, distribution transformer and balance of plant equipments all arranged to operate in tandem.

A brief description of each is given below:

BOILERS

The unit consists of 2 **main boilers**. These boilers consist of a bagasse fired single drum water tube reheat system with a capacity of 12 tons/hour at thermal conditions of 400 \pm 5% C, and 32 kg/cm²g at the super heater outlet.

The boilers have been designed and manufactured by John Thompson, England, year of manufacture: 1957. The boilers have been modified to accept 19 different types of agro waste fuels and/ or coal.

TURBO GENERATOR

The **Turbo-Generator** consists of 2 generators each of 2.5 MW (0.8 PF, 11 KV, 50 Hz, 3000 RPM), connected to the same shaft, one each on either side of the 5 MW, condensing type steam turbine. The TG unit is made by M/s STAL, Sweden. The two generators are connected through single breaker on stator side, and have a common excitation system. The field of the generator is separately excited through a Thyristor controlled excitation system.

ELECTRICAL / EVACUATION

The voltage produced by the generator is at 11 KV voltage level. It is stepped up by 5.5 MVA, 11kv/ 33kv, station transformer, to 33 kv voltage level. The power thus produced will be fed to the KPTCL grid at 110KV Machhe sub-station at a distance of 9.5 KM by a dedicated 33 KV feeder. The line consists of RCC poles with ISMB and DP intersections wherever required and the 33KV "coyote" conductor can be used for Transmission. The metering of Delivery point of the power is at the step up side of the Generator Transformer at the plant side.

COOLING TOWER

The cooling water requirement of the condenser and the plant components are of the order

of 589 KL/day. The water will be cooled through a 4 compartment cooling tower made by Paharpur Cooling Towers Ltd.

The cooling water is pumped from a number of bore wells about 0.5 km away from the plant and is stored in a large reservoir tank (capacity 3000 KL). The water from the reservoir tank is pumped to the Intermediate water storage tank in plant area. The make-up cooling water, for the plant is drawn from this tank

DM PLANT

The water required for the boiler is pre-treated in the De-mineralizing plant. The D.M. plant incorporates latest features and is supplied by M/s Aquatech Industries (I) Pvt. Ltd. and has an operating flow of 5m³/hour.

ASH HANDLING

The ash produced in the plant furnace would be extracted from the flue gases by various hoppers and through powerful mechanical dust separators. This would reduce gases coming out of the 38 meters high chimney, making it practically free of ash. The ash that is extracted will be deposited off to nearby fields to be utilized as manure/ fertilizer.

EFFLUENT TREATMENT

The impact on the environment is minimal since the primary fuel being used is Agro waste. GEL has installed 2 Mechanical Dust Collectors (MDC) for control of particulate emission from flue gas. A 38 meter tall chimney for wide dispersal of emission from the station and to minimize ground level concentration is also installed. All necessary statutory clearances for EFT have been obtained.

TECHNICAL/ OPERATIONAL PARAMETERS

- | | | |
|----|------------------|--|
| 1. | Turbo-generators | 2 nos 2.5 MW, 0.8 PF, 11 KV, 50 Hz, 3000 RPM, STAL |
|----|------------------|--|

Alternators. Sweden make

Turbine: radial flow condensing type, double rotation works on reaction principle. type.

- | | | |
|----|--------------|-------------------------------------|
| 2. | Boiler plant | 2 nos 12 tons/hour capacity boilers |
|----|--------------|-------------------------------------|

Thermal conditions: 400° C, and 32 kg/cm²g at the super heater outlet

Make: John Thompson water tube boilers limited, Wolverhampton, England.

3.	Power generation	<i>Capacity of generator</i>	5 MW
		<i>Auxiliary consumption</i>	0.5 MW
		<i>Power for export</i>	4.5 MW
		<i>Total Annual Hours</i>	8760 hours
		<i>PLF @ 80%</i>	

127

GENERAL PARAMETERS

4.	Land	Main plant area 10 acres
		Built-up area: 1.5 acres
5.	Roads	15 kms from Belgaum city
6.	Height of chimney	38 Metres
7.	Fuel	Average daily requirement bagasse 200 MT/day for 2 boilers (6,000 MT per month)
8.	Water requirement	Total water requirement: 589 kl/day
		Break-up:- Cooling tower: 576 kl
		Boiler: 4 kl
		DM plant: 7 kl
		Service water: 2 kl
9.	Transmission Line for Evacuation of Power	33 kv Double circuit, coyote conductor 9.5 metres RCC cement poles, 11 metres ISM beams, with 40 metre span, from Global Energy Limited to 110 KV sub-station at Macche
10.	Metering Bay	Twin 33 kv switch yard both consisting of isolator CTs, PTs, lightning arrester and metering cubicle for Import and Export and check metering of power at Global Energy Limited generating station.

FUEL SELECTION

FUEL SELECTION

The fuel for the project has been short listed after analyzing various factors such as gross calorific value of the fuel, estimated consumption, prices and availability of each of the fuel options available in the vicinity of the plant area. The equipments have been envisaged to run on multiple fuels viz Bagasse,

128

rice husk, wood chips, cotton waste, sugarcane trash, coal, etc. Wood chips, which have the highest gross calorific value, lowest specific consumption and year round availability is the preferred choice of fuel. In case of non availability of a particular fuel a combination of two or more of the other fuels can be used.

Since the location of the project is approx. 100 kms from the port of Goa, imported coal from Australia/ Indonesia or South Africa becomes a viable option incase all other agro fuels are not available.

IMPLEMENTATION SCHEDULE

Description	Status
Acquisition of Land	Completed
Development of Land	Completed
Civil Works	Completed
Factory Building	Completed
Machinery Foundation	Completed
Auxiliary Building	Completed
Administration Building	Completed
Plant & Machinery	Completed
Power Arrangement	Completed
Erection of Equipment/Evacuation System	Completed
Plant Commissioning	Completed
Procurement of Raw Material (for start up)	Completed
Trial Run	Under Process
Commercial Production	Within 30 days of Trial Run

STATUTORY & OTHER CLEARANCES

The following Statutory Clearances / approvals have been obtained for the project:

1. Clearance from Chief Electrical Inspectorate – Government of Karnataka
2. Clearance from Factory Inspectorate.

129

3. Clearance from Boiler Inspectorate.
4. Clearance from Karnataka State Pollution Control Board.
5. Clearance under Section 43(A) from the Govt. of Karnataka for sale to 3rd parties.
6. Notification by Government of Karnataka conferring the status of Generating Company to the Project.
7. Other Clearances as required.

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 250 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 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 short-term customers, identifying potential buyers and sellers, 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 UP operations shall be coordinated from GEL's office and control room in New Delhi initially and local establishments set up in Lucknow or other locations in UP as per requirements later. 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 Uttar Pradesh by tying up surplus generation to the extent of 35MW round the clock. This surplus is expected to be available for a period of 2 months in the current financial year and 4 months in the subsequent years. The quantum of power available is expected to increase marginally at 10% per annum to 50MW over the subsequent 5 years.

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

Global Energy Ltd - Intrastate Power Trading in Uttar Pradesh Projected quantum of power							
Description	Unit	Year-0	Year-1	Year-2	Year-3	Year-4	Year-5
Expected Trading Volume	MW	35	35	39	42	47	51
Available Hours Per Annum For Trading	Hours	4380	4380	4380	4380	4380	4380
Expected Availability Of Trading Volume	%	33%	66%	66%	66%	66%	66%
Expected Trading Hours Per Annum	Hours	1445	2891	2891	2891	2891	2891
Expected Trading Units	Mill. Units	50.59	101.18	111.30	122.43	134.67	148.13

Assumptions used above:

Descriptions		Unit	Value
Expected Trading Volume	YEAR 0	MW	35
Available Hours Per Annum For Trading		Hours	4380
Expected Trading (% of Available Hours)	YEAR 0	%	33%
	YEAR 1-5	%	66%
Increase in Availability of Trading Volume	YEAR 2-5	%	10



ICICI Bank Limited 793 BACKBAY RECLAMATION

NOTE ONLY

ISSUING BRANCH

BANK & BRANCH CODE

DD. NO.

DATE 01-09-2006

VALID FOR SIX MONTHS ONLY

ON DEMAND PAYTAK PRADESH ELECTRICITY REGULATORY COMMISSION*****

TT
OL
TL

RUPEES Lakh only

ICICI BANK LIMITED
DR 281 LUCKNOW

Drawee Branch

902726 000290000

[Signature]
Authorized Signatory

[Signature]
Authorized Signatory

OR ORDER

Rs*****1,00,000.00

FOR VALUE RECEIVED

9
8
7
6
5
4
3
2
1
0