

BELGUNDI CEMENTS PRIVATE LIMITED

Particulars	As at 31.03.2011 Amount	As at 31.03.2010 Amount
SCHEDULE "L" OTHER INCOME		
Lease Rent	1,11,32,055	1,12,01,967
Dividend Received	-	1,95,00,000
Interest Received	-	3,46,972
Other Income	-	-
Total	1,11,32,055	3,10,48,939
SCHEDULE "M" INCREASE/ DECREASE IN STOCKS		
a. Closing Stock		
Finished Goods	2,66,287	2,61,427
b. Opening		
Finished Goods	2,66,287	2,61,427
Total	-	-
SCHEDULE "N" Cost of Goods sold		
Add: Opening Stock	2,66,287	4,860
Purchase of Raw Materials	-	-
Less : Closing Stock	2,66,287	4,860
Total	-	-
SCHEDULE "O" OTHER EXPENSES		
Legal professional fees	3,17,381	12,42,725
Salaries & Wages	-	2,58,600
Office Expenses	1,06,048	-
Amount Written Off	46,99,897	1,06,90,709
Auditor remuneration	55,150	55,150
Travelling Expenses	-	97,560
Bank Charges	65,286	24,903
Fine & Penalty	2,65,013	2,52,888
Administrative Expenses	54,22,300	1,70,476
Total	1,09,31,076	1,27,93,011



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For GLOBAL ENERGY PRIVATE LIMITED

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Authorised Signatory

BELGUNDI CEMENTS PVT. LTD.

SCHEDULE "E" FIXED ASSETS

No.	Description	GROSS BLOCK		DEPRECIATION		NET BLOCK					
		As at 01.04.2010	Addition	Deduction	as at 31.03.2011	As At 01.04.2010	Addition	Adjustment	Total	AS AT 31.03.2011	As at 31.03.2010
1	Land & land Development	14,59,37,750	-	-	14,59,37,750	-	-	-	-	14,59,37,750	14,59,37,750
2	Building	1,38,83,116	-	-	1,38,83,116	78,82,833	4,63,696	83,46,529	83,46,529	55,36,587	60,00,283
3	Plant & machinery	1,41,37,645	-	-	1,41,37,645	83,26,975	6,71,538	89,98,513	89,98,513	51,39,132	58,10,670
4	Office & Factory Equipment	9,91,124	-	-	9,91,124	7,91,483	47,078	8,38,561	8,38,561	1,52,563	1,99,641
5	Electrical Equipments	7,39,505	-	-	7,39,505	5,96,960	35,126	6,32,087	6,32,087	1,07,418	1,42,545
6	Weigh Bridge (not installed)	1,54,483	-	-	1,54,483	1,24,744	7,338	1,32,082	1,32,082	22,401	29,739
7	Lab Research & dev. Equipment	2,53,575	-	-	2,53,575	2,03,404	12,045	2,15,449	2,15,449	38,127	50,171
8	Diesel Generating set	5,50,049	-	-	5,50,049	4,44,161	26,127	4,70,289	4,70,289	79,760	1,05,888
9	Front End Loader	3,71,695	-	-	3,71,695	3,00,149	17,656	3,17,804	3,17,804	53,891	71,546
10	Power Plant	2,43,61,369	-	7,53,285.00	2,36,08,084	-	-	-	-	2,36,08,084	2,43,61,369
11	Bore well	28,750	-	-	28,750	19,164	960	20,124	20,124	8,626	9,586
12	Technical Know How & consultancy	2,58,330	-	-	2,58,330	2,08,605	12,271	2,20,875	2,20,875	37,455	49,725
	Total	20,16,67,391	-	7,53,285.00	20,09,14,106	1,88,98,476	12,93,836	2,01,92,312	2,01,92,312	18,07,21,796	18,27,68,916
	Previous Year	43,61,79,987	-	23,45,12,596	20,16,67,391	1,76,04,641	12,93,836	1,88,98,476	1,88,98,476	41,85,75,348	42,04,93,211

Work-in-Progress

13 Cements plant (Value Added Products)

Previous Year

34,05,531

18,61,74,447



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Belgundi Cements Pvt. Ltd

Depreciation Chart as per Income Tax-Fy2010-11

Particulars	Rate	WDV as on 01.04.2010	Addition before 30.09.2010	Addition after 01.10.2010	Depreciation	WDV As on 31.03.2011
Building	10%	12,21,898	-	-	1,22,190	10,99,708
Plant & Machinery	15%	13,660			2,049	11,611
Furniture	10%	19,625			1,963	17,663
Total		12,55,184	-	-	1,26,201	11,28,982



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For GLOBAL ENERGY PRIVATE LIMITED

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BELGUNDI CEMENTS PRIVATE LIMITED

SCHEDULE 'P':

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

1. Significant Accounting Policies

a. General:

The Accounts of the Company are prepared under the historical cost convention using the accrual method of accounting except in the case of Gratuity liability.

b. Fixed Assets:

The Fixed Assets are stated at cost of acquisition, cost includes taxes, duties and other identifiable direct expenses, except for assets which have been revalued and shown at revaluation. In respect of revalued assets the difference between the written down value of the assets as on the day of the revaluation and the valuation has been transferred to revaluation reserve.

c. Depreciation:

During the year the Depreciation has been provided on Straight Line method as per the Rates prescribed in Schedule XIV of the Companies Act, 1956.

d. Capital Work-in-Progress:

project under commissioning is carried at cost comprising direct cost, related incidental expenses and interest on borrowing there against.

e. Investment:

Investments are valued at its acquisition cost.

f. Revenue Recognition :

Income is Accounted on Accrual Basis.

g. Retirement benefits :

The Gratuity is accounted for as and when it is paid.

h. Taxes on Income :

Income and tax credit computed in accordance with the provision of Income Tax Act. 1961. Deferred tax is recognized on timing difference between the accounting income and the taxable income for the period and quantified using the tax rate as per Income Tax Act, 1961.

2. Contingent Liability:

a) Arrears of Cumulative Preference Dividend Rs 2,07,04,000.00 (Previous year Rs. 1,95,64,000.00).

b) the company has not recognized the deferred tax liability / asset Due to the uncertainty of its operations



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BELGUNDI CEMENTS PRIVATE LIMITED

3. a) The company has not made provision in the books for Depreciation on Fixed Assets up to 31st March 1993. The amount for the same is not ascertained.
- b) No provision has been made for Gratuity as the same is accounted for on a cash basis.
- c) No provision of doubtful debts and doubtful advances has been made.
4. The company has raised a claim against Karamchand Thaper & Bros (C.S.) Limited, for delayed supply of coke breeze in 1989 for Rs. 6,74,400/-.

If for any reason the matter, currently before the Karnataka High Court, is not settled in favour of the Company, than the credits taken by the Company amounting to Rs. 35,26,106 /- (Previous year Rs. 35,26,106/-) will have to be reversed.

5. M/S Chennai Refractories & Minerals has filed a suit for recovery and decree had been awarded of Rs. 11,70,907/-. This matter is pending with High Court, Karnataka.
6. Balances of Some Trade Debtors and Loans and Advances are subject to confirmation.

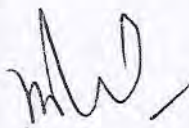
7. **Details of Auditors remuneration,**

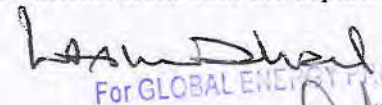

Particulars	Current Year	Previous Year
As Auditor (Exclusive of Service Tax)	50,000/-	50,000/-

8. **Remuneration to Directors :**

Particulars	Current Year	Previous Year
Director	Nil	Nil

9. a) The company has revalued its Land and Land Development during the year 1993-94 for the second time after 1989-88, as per the valuation report of the Govt. Approved Valuer Mr. D.V. Telang, dated 25th March, 1994.
- b) As per the said report, the value of the Land on the date of his report is Rs. 14,59,37,750/-.
10. The Central Bank of India vide a letter No.MMO/RKS/2009-10/331:294 dated 30th May 2009 has settled the amount outstanding as Secured/ Unsecured loan namely working Capital Term Loan (WCTL) and Funded Interest Term Loan (FITL) under One Time Settlement (OTS) for Rs. 15,00,00,000/- (Rs. Fifteen crores only) against the outstanding amount of Rs. 38,389,943/- (Rs. Thirty eight crores thirty eight lacs twenty nine thousand nine hundred forty three only). The balance amount of Rs. 23,38,29,943/- has been written off against the Fixed Asset namely Plant & Machinery against which the said amount was raised and subsequently increased with Interest charged on the same.
11. The previous year figure has been regrouped wherever necessary to make them comparable with those of the current year.
12. The Company has paid a sum of Rs. 131,24,738/- as Karnataka Sales Tax and a sum of Rs. 103,07,008/- as Central Excise Duty (Interest Rs. 90,98,808/- and Penalty Rs. 12,08,200/-) to settle its long standing dues and has obtained no dues certificate from both the departments.


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For GLOBAL ENERGY PRIVATE LIMITED

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BELGUNDI CEMENTS PRIVATE LIMITED

13. General Descriptions of the significant lease arrangements between Belgundi Cements Private Limited and others are as follows:

For the Power Plant given on Right to use agreement to Global Energy Private Limited the total of minimum lease payments due at the balance sheet date is Rs. 31.20 Crores and the net present value of the minimum lease payments are as under –

- a. not later than one year Rs. 1.0879 Crores (Previous year Rs. 1.0885)
 - b. later than one year and not later than five years Rs. 3.4264 Crores (Previous Year Rs 5.643 Crores)
 - c. later than five years Rs 6.2167 Crores (Previous year Rs. 6.323 Crores)
 - d. The power plant has been given on a financial lease which can be read with the agreement dated 1994, 1995 and the parallel agreements of 1998 and 2003 and 2006.
 - e. The lease payments are scheduled as under – Rs 1.2 Crores payable per annum during the term of the agreement commencing from the date of commercial operation of Power Plant, towards lease rentals.
 - f. Rs. 3 Cr. is payable as per the supplementary Right to Use Agreement executed in the year 2003, from Global Energy Private Limited within a period of five years from the date of commencement of commercial supply of power from the power plant in the manner and or on terms as may be mutually agreed by the Parties. The company has commenced commercial operations since April 2007. The company has received a sum of Rs 2,96,17, 300/- and the balance amount receivable as on balance sheet date is Rs. NIL (Previous Year 2,96,17, 300/-).
 - g. The right to use agreement for power plant executed during 1994 is for a period of thirty years and the supplementary agreement executed in the year 2003 also is for a period of thirty years and provides for transfer of the Power Plant in favour of the user at an agreed salvage value of Rs 1,00,00,000. The company has agreed to affect the conveyance of power plant in favour of the user at the end of the agreed period.
 - h. As the Power Plant has started Commercial Production since 01.04.2007, the amount of Work in progress has been transferred to Fixed Assets but Depreciation on the same has not been charged as The Plant has been given on Right to use basis to Global Energy Private Limited as above.
14. The Cement plant has not generated any revenue since the beginning of financial year 2000-2001 The Company has not given effect to the Accounting Standard AS 28 for Impairment of Assets as the net realizable value of the Cement Plant is not ascertainable.
15. a) The company had become deemed public company as per the provisions of sub section (1B) of Section 43A of the Companies Act 1956 with effect from 29 November, 1995 however, during the year under review the company converted itself into a private limited company under section 31(1) of the companies act, 1956 and the Registrar of Companies, Karnataka has approved the conversion on 15th Day of September 2010 and since then, the name of the company stands changed to Belgundi Cements Private Limited

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BELGUNDI CEMENTS PRIVATE LIMITED

16. The Company has sold 30,00,000 Shares (Cost Price Rs. 12,00,00,000/-) of Global Energy Private Limited to Mr. Harry Dhaul (Director) for Rs. 9,00,00,000/- at a loss of Rs. 3,00,00,000/- on 22.06.2010

The Company has written off a sum of Rs. 49,52,521/- due towards Fusion Energy Technologies Pvt. Ltd. (a company under same management) on 31.03.2011, as the company has cease to exist during the year.

17. The Loans and Advances include the following:

Amount due from Companies under the same management

	C.Y.	P.Y.
Global Energy Private Limited	Rs. 1,20,90,047/-	Rs. 44,151,549/-
Fusion Energy Technologies Pvt. Ltd.	Rs. NIL	Rs. 49,52,521/-

18. Quantitative Information as required under Para 3 & 4 D of Part II of Schedule VI of The Companies Act, 1956.

I	License Capacity	N.A.
II	Installed Capacity	40 T.P.D.

As certified by the Management.

	Production (MT)	2010-2011	2009-2010
	Clinker	Nil	Nil
	Cement	Nil	Nil
	Blocks (nos)	Nil	Nil

IV) Raw Material Consumed

	2010-2011		2009-2010	
	Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
Limestone	Nil	Nil	Nil	Nil
Coke Breeze	Nil	Nil	Nil	Nil
Clay	Nil	Nil	Nil	Nil
Graphite	-	-	-	-
Gypsum	Nil	Nil	Nil	Nil
Other				
Total		Nil		Nil



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Blocks

	2010-2011		2009-2010	
	Qty	Value (Rs.)	Qty	Value (Rs.)
Dust/Fly Ash	-	-	-	-
Khadi	-	-	-	-
Chips	-	-	-	-
Cement	-	-	-	-
Sand	-	-	-	-
Total	-	-	-	-

V. Opening and Closing Stocks of Finished and semi Finished Goods & Raw Material

	Opening Stocks		Closing Stocks	
	Qty (MT)	Value (Rs.)	Qty	Value (Rs.)
Cements (2010-2011)	21 bags	4,860	21 bags	4,860
(2009-2010)	21 bags	4,860	21 bags	4,860
Blocks (Nos) (2010-2011)	3000 Nos	2,61,427	3000 Nos	2,61,427
(2009-2010)	3000 Nos	2,61,427	3000 Nos	2,61,427

VI Sales

	2010-2011		2009-2010	
	Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
Cements	Nil	Nil	Nil	Nil
Block (Nos)	Nil	Nil	Nil	Nil

VII Other Additional Information

		2010-2011	2009-2010
A	Value of import on CIF Basis Raw Material, Stores, Spares etc.	Nil	Nil
B	Expenditure in Foreign Currency	Nil	Nil
C	Earning in Foreign Currency	Nil	Nil
D	Value of imported/indigenous Raw Material, Stores, Spares consumed	Nil	Nil
	Raw Materials		
	Imported	Nil (0%)	Nil (0%)
	Indigenous	Nil (0%)	Nil (0%)
	Stores & Spares		
	Imported	Nil (0%)	Nil (0%)
	Indigenous	Nil (0%)	Nil (0%)



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19. The company has become as sick industrial company within the meaning of section 3(1)(0) of the sick industrial companies (special Provisions) Act, 1985, as its accumulated losses subject to the adjustment of revaluation, have exceeded its entire net worth

The Schedule A to P forming part of the Balance Sheet as per our report of even date

For **Chhabra & Associates**
Chartered Accountants

Sanjeev Chhabra
Sanjeev Chhabra
(Proprietor)



For and on Behalf of Board of Directors
Belgundi Cements Private Limited

Harry Dhau
Harry Dhau
(Director)

Laxmi Dhau
Laxmi Dhau
(Director)

For GLOBAL ENERGY PRIVATE LIMITED

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AUDITORS' REPORT

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To,

The Members of
BELGUNDI CEMENTS LIMITED
Belgaum,
Karnataka

- 1) We have audited the attached Balance Sheet of Belgundi Cements Ltd. As at 31st March, 2010 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



For GLOBAL ENERGY PRIVATE LIMITED

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referred to in sub section (3C) of section 211 of the companies Act, 1956, Subject to:

- a) Non provision for liability of in respect of Sales Tax (See Note 2(a) .
 - b) Non provision of Depreciation and Gratuity in respect of earlier years (see Note 3).
 - c) Non provision of claim in respect of a suit filed by M/s Chennai Refectories & Minerals. (See Note 5)
 - d) Balances of Debtors, Creditors and Loans & Advances are subject to confirmation (See Note 6).
 - e) During the year, the company has settled its secured/ unsecured loan from central Bank of India (See Note 10)
5. In the absence of any written representation received from the directors, as on 31st March 2010 we are unable to report that if any of the directors is disqualified as on 31st March 2010 from being appointed as a directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956
6. 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 'P', 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 2010,
 - b. In the case of the Profit and loss Account, of the Profit for the year ended on that date.

For Chhabra & Associates
Chartered Accountants



Sanjeev Chhabra
(Proprietor)

M.No.088058

Firm Reg. No.009846N

Place: New Delhi

Date: 04-09-2010

For GLOBAL ENERGY PRIVATE LIMITED

Authorised Signatory

ANNEXURE TO THE AUDITORS REPORT

(Referred to in Paragraph 3 of our Report of even date)

1. The company has maintained proper records showing full particulars, including quantitative details of Fixed Assets.
2. All the assets have been physically verified by the management during the year and there is a regular programme of verification of fixed Assets. In our opinion, no discrepancies are noticed on such verification and the same have been properly dealt with in the accounts.
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 management has physically verified the stocks of finished goods, stores, spare parts and raw materials and no significant discrepancies were found.
5. In our opinion, as explained to us, the procedure of the physical verification of the inventories is appropriate in regard to size of Company.
6. The Company has taken an interest free loan from its directors and shareholders and these loans not prejudicial to interest of the Company. No other loans secured or unsecured loans from any Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
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 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.
8. 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 transactions that have been made which need to be entered into the register maintained under section 301, have been duly entered in to the Register.

In our opinion and according to the information and explanations given to us, no the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the values of Rupees Five lacs only in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except the transactions which are unique in nature.



For GLOBAL ENERGY PRIVATE LIMITED

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9. 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.
10. In our opinion, the company has a formal internal audit system commensurate with size and nature of its business.
11. We are informed that the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the companies Act, 1956 for the company for the year under review.
12. 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, etc.

According to the information and explanation given to us, during the year 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 2010 for a period of more than six months, from the date they became payable .

13. The Company has accumulated losses sum of Rs. 78,28,304/- (Previous Year Rs. 29,562,858/-) and has earned a profit of Rs. 27,652,803/- during the financial year covered by our audit. (Previous Year Profit Rs. 5,777,464/-).
14. During the Company has not taken any loans from banks and has not defaulted on account of repayment of principal and interest.
15. 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.
16. 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 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.
21. The company has not raised any terms loans from banks during the year. Accordingly the provisions of clause 4 (xvi) of the companies (Auditors Report) Order, 2003 are not applicable to the company.
22. During the year the Company did not raised any long term or short term sources of funds.
23. The company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Act.

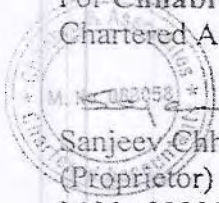


For GLOBAL ENERGY PRIVATE LIMITED

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- 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 expiations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For Chhabra & Associates
Chartered Accountants



Chhabra
Sanjeev Chhabra
(Proprietor)
M.No.088058
Firm Reg. No.009846N
Place: New Delhi

Date: 04-09-2010

For GLOBAL ENERGY PRIVATE LIMITED

Authorised Signatory

Balance Sheet as at 31st March 2010

Particulars	Schedule	As at 31.03.2010 Amount	As At 31.03.2009 Amount
I SOURCE OF FUND			
1. SHARE HOLDER FUNDS			
a. Capital	A	30,000,000	30,000,000
b. Reserves & surplus	B	34,619,542	34,619,542
c. Share Application Money		138,571,494	
		<u>203,191,036</u>	<u>64,619,542</u>
2. LOAN FUNDS			
a. Loans	C	-	383,829,943
b. Deposit- Power Project	D	150,000,000	150,000,000
		<u>150,000,000</u>	<u>533,829,943</u>
		<u>353,191,036</u>	<u>598,449,485</u>
II APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	E	201,667,391	436,425,410
Less : Depreciation		18,898,474	17,850,062
		<u>182,768,916</u>	<u>418,575,348</u>
Capital work in progress		3,405,531	3,405,531
		<u>186,174,447</u>	<u>421,980,879</u>
2. Investment			
	F	120,000,000	120,000,000
3. current Assets, Loans & Advances			
a. Inventories	G	266,287	266,287
b. Sundry Debtors	H	-	4,514,664
c. Cash & Bank Balance	I	2,589,116	7,390,670
d. Loans & Advances	J	52,037,553	50,196,557
e. Receivable firm KCT		3,526,106	3,526,106
		<u>58,419,062</u>	<u>65,894,284</u>
Less : Current liabilities	K	29,921,805	38,988,536
Net current Assets		<u>28,497,257</u>	<u>26,905,748</u>
4. Profit & Loss Account			
		18,519,331	29,562,858
Total		<u><u>353,191,036</u></u>	<u><u>598,449,485</u></u>

Significant Accounting Policies & Notes to Accounts
The Schedule 'A' to 'P' forming part of balance Sheet
As per our audit report even date

For Chhabra & Associates
Chartered Accountants
No. 092056
Sanjeev Chhabra
(Sanjeev Chhabra)
Proprietor
Date 04-09-2010
Place New Delhi

For and on Behalf of Board of Directors

Harry Dhaul
Harry Dhaul
Managing Director

Laxmi Dhaul
Laxmi Dhaul
Director

For GLOBAL ENERGY PRIVATE LIMITED

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Profit & Loss Account For the year Ended 31st March 2010


Particulars	Schedule	As at 31.03.2010 Amount	As At 31.03.2009 Amount
I INCOME			
Other income	L	31,048,939	11,786,171
Increase/ Decrease in Stock	M	-	-
		<u>31,048,939</u>	<u>11,786,171</u>
II EXPENDITURE			
a. Cost of Goods Sold	N	-	-
b. Other	O	12,793,011	4,709,490
c. Depreciation	E	1,293,834	1,299,218
		<u>14,086,844</u>	<u>6,008,708</u>
III Profit & Loss before Tax		16,962,094	5,777,462
Less: Provision for Income Taxes		2,964,399	2,187,154
Less: Provision for FBT		-	60,000
Profit Loss account brought from last year		-	-
		<u>13,997,695</u>	<u>3,530,308</u>
Prior Year Expenses		4,207,869	50,000
Adjustment		(99,214)	-
Extra ordinary Items		1,154,488	-
		<u>11,043,528</u>	<u>3,480,308</u>
Profit/ Loss account carried to Balance sheet		<u>(11,043,528)</u>	<u>(3,480,308)</u>


Significant Accounting Policies & Notes to Accounts
The Schedule 'A' to 'P' forming part of balance Sheet
As per our audit report even date


P


For Chhabra & Associates
Chartered Accountants

For and on Behalf of Board of Directors


(Sanjeev Chhabra)
Proprietor
Date 04-09-2010
Place New Delhi


Harry Dhaul
Managing Director


Laxmi Dhaul
Director

For GLOBAL ENERGY PRIVATE LIMITED

Authorised Signatory

Particulars	As at 31.03.2010 Amount	As At 31.03.2009 Amount
SCHEDULE "A" SHARE CAPITAL		
AUTHORISED		
115000 Equity Shares of Rs. 100/- each (Previous Year 15000)	11,500,000	1,500,000
285000 (Previous Year 285000) 4% Redeemable Cumulative Preference shares of Rs. 100/- each	28,500,000	28,500,000
Total	<u>40,000,000</u>	<u>30,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
15000 Equity Shares, of Rs. 100/- each fully Paid up	1,500,000	1,500,000
285000 4% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up	28,500,000	28,500,000
(Of the above Equity shares, 805 shares are allotted as fully paid up pursuant to a contract without Payments being received in cost		
	<u>30,000,000</u>	<u>30,000,000</u>
Share Application Money	138,571,494	
SCHEDULE "B" RESERVES & SURPLUS		
i) Revaluation Reserve	33,439,884	33,439,884
ii) Capital Subsidy	1,179,658	1,179,658
	<u>34,619,542</u>	<u>34,619,542</u>
Profit & Loss a/c	29,562,859	33,043,167
Opening Balance	(11,043,528)	(3,480,308)
Add :Addition During the Year	<u>18,519,331</u>	<u>29,562,859</u>



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For GLOBAL ENERGY PRIVATE LIMITED

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Authorised Signatory

BELGUNDI CEMENTS LTD.

SCHEDULE "E" FIXED ASSETS

No.	Description	GROSS BLOCK		DEPRECIATION		NET BLOCK					
		As at 01.04.2009	Addition	Deduction	as at 31.03.2010	As At 01.04.2009	Addition	Adjustment	Total	As At 31.03.2010	As at 31.03.2009
1	Land & land Development	145,937,750	-	-	145,937,750	-	-	-	-	145,937,750	145,937,750
2	Building	13,883,116	-	-	13,883,116	483,698	-	7,882,633	-	6,000,283	6,483,980
3	Plant & machinery	14,137,645	-	-	14,137,645	671,538	-	8,328,675	-	6,810,670	6,482,208
4	Office & Factory Equipment	991,124	-	-	991,124	47,078	-	791,483	-	199,641	248,720
5	Electrical Equipments	739,605	-	-	739,605	35,128	-	588,960	-	142,545	177,671
6	Weigh Bridge (not installed)	164,483	-	-	164,483	7,338	-	124,744	-	29,739	37,077
7	Lab Research & dev. Equipment	253,675	-	-	253,675	12,045	-	203,404	-	50,171	67,216
8	Diesel Generating set	550,049	-	-	550,049	26,127	-	444,161	-	106,888	132,016
9	Front End Loader	371,695	-	-	371,695	17,666	-	300,149	-	71,546	89,202
10	Power Plant	268,873,965	-	234,512,696.41	24,361,369	960	-	19,164	-	24,361,369	268,873,965
11	Borwell	28,750	-	-	28,750	18,204	-	10,547	-	9,586	10,547
12	Technical Know How & consultancy	268,330	-	-	268,330	196,334	-	208,605	-	49,725	61,986
	Total	436,179,987	-	234,512,696.41	201,667,391	1,293,836	-	18,898,476	-	182,768,916	418,575,348
	Previous Year	437,044,054	-	618,644	436,425,410	1,299,220	-	17,950,084	-	418,575,348	420,493,211

Work - In - Progress
13 Cements plant (Value Added Products)

3,405,531
186,174,447
3,405,531



For GLOBAL ENERGY PRIVATE LIMITED

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Particulars	As at 31.03.2010 Amount	As At 31.03.2009 Amount
SCHEDULE "G". INVENTORIES		
Raw Materials	4,860	4,860
Finished Stocks	<u>261,427</u>	<u>261,427</u>
	<u>266,287</u>	<u>266,287</u>
 SCHEDULE "H". Debts outstanding for a period exceeding six month		
Considered good	-	3,317,188
Considered doubtful	-	1,197,476
	-	<u>4,514,664</u>
 SCHEDULE "I" CASH AND BANK BALANCES		
A. Cash in Hand	206,450	120,950
B. Balance with Schedule Bank		
i.) In Current Account	2,282,166	7,169,220
ii.) In Margin Deposit	<u>100,500</u>	<u>100,500</u>
	2,382,666	7,269,720
Total	<u>2,589,116</u>	<u>7,390,670</u>
 SCHEDULE "J" Loans and Advances		
Unsecured, Considered goods		
A. Deposits	585,052	1,407,508
B. Excise Duty Current Accounts	-	552
C. Pre paid Expenses	-	-
D. Advance Recoverable in Cash Or kind For Value To be received	<u>51,392,501</u>	<u>44,413,381</u>
	51,977,553	45,821,441
E. Unsecured Considered doubtful Advance	60,000	4,375,116
Total	<u>52,037,553</u>	<u>50,196,557</u>
 SCHEDULE "K" CURRENT LIABILITIES		
Sundry Creditors	11,991,777	12,324,039
Other liabilities	<u>12,718,475</u>	<u>23,429,343</u>
	24,710,251	35,753,382
Provisions	5,151,553	3,092,154
Provision for Income Tax	60,000	143,000
Provision for FBT	<u>5,211,553</u>	<u>3,235,154</u>
Total	<u>29,921,805</u>	<u>38,988,536</u>



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For GLOBAL ENERGY PRIVATE LIMITED
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DELGUNDI CEMENTS LIMITED

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Particulars	As at 31.03.2010 Amount	As At:31.03.2009 Amount
SCHEDULE "L" OTHER INCOME		
Lease Rent	11,201,967	11,265,323
Dividend Received	19,500,000	-
Interest Received	346,972	190,848
Other Income	-	330,000
Total	31,048,939	11,786,171
SCHEDULE "M" INCREASE/ DECREASE IN STOCKS		
<u>a. Closing Stock</u>		
Finished Goods	261,427	261,427
<u>b. Opening</u>		
Finished Goods	261,427	261,427
Total	-	-
SCHEDULE "N" Cost of Goods sold		
Add: Opening Stock	4,860	4,860
Purchase of Raw Materials	-	-
Less : Closing Stock	4,860	4,860
Total	-	-
SCHEDULE "O" OTHER EXPENSES		
Legal professional fees	1,242,725	861,561
Salaries & Wages	258,600	1,580,500
Staff Welfare	-	452,380
Conveyance Expenses	-	356,950
Amount Written Off	10,690,709	-
Auditor remuneration	55,150	55,150
Miscellaneous Expenses	-	516,128
Travelling Expenses	97,560	610,065
Bank Charges	24,903	-
Fine & Penalty	252,888	-
Administrative Expenses	170,476	276,756
Total	12,793,011	4,709,490



For GLOBAL ENERGY PRIVATE LIMITED

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BELGUNDI CEMENTS LIMITED

SCHEDULE 'P':

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31.03.2010.

1. Significant Accounting Policies

i) **General:**

The Accounts of the Company are prepared under the historical cost convention using the accrual method of accounting except in the case of Gratuity liability.

ii) **Fixed Assets:**

The Fixed Assets are stated at cost of acquisition, cost includes taxes, duties and other identifiable direct expenses, except for assets which have been revalued and shown at revaluation. In respect of revalued assets the difference between the written down value of the assets as on the day of the revaluation and the valuation has been transferred to revaluation reserve.

iii) **Depreciation:**

During the year the Depreciation has been provided on Straight Line method as per the Rates prescribed in Schedule XIV of the Companies Act, 1956.

iv) **Capital Work-in-Progress:**

Project under commissioning is carried at cost comprising direct cost, related incidental expenses and interest on borrowing there against.

v) **Investment:**

Investments are valued at its acquisition cost.

vii) **Revenue Recognition :**

Income is accounted on accrual basis.

viii) **Retirement benefits:**

The Gratuity is accounted for as and when it is paid.

xi) **Taxes on Income**





 For GLOBAL ENERGY PRIVATE LIMITED

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income and tax credit computed in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing difference between the accounting income and the taxable income for the period and quantified using the tax rate as per Income Tax Act, 1961.

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2. **Contingent Liability:**

- a) Claims against the Company not acknowledge as debts:

Miscellaneous cases for the recovery of Sales Tax dues amount to Rs.1,31,24,738/- are pending since long with the Additional Session Judge, Belgaum. The same shall be payable along with interest & penalty, as & when decided.

- b) Arrears of Cumulative Preference Dividend Rs. 1,95,64,000/- (Previous year Rs. 1,84,24,000/-).

- c) The company has not recognized the deferred tax liability / asset due to the uncertainty of its operation.

3. a) The company has not made provision in the books for Depreciation on Fixed Assets up to 31st March 1993. The amount for the same is not ascertained.

- b) No provision has been made for Gratuity as the same is accounted for on a cash basis.

- c) No provision of doubtful debts and doubtful advances has been made.

4. The company has raised a claim against Karamchand Thaper & Bros (C.S.) Limited, for delayed supply of coke breeze in 1989 for Rs. 6,74,400/-

If for any reason the matter, currently before the Karnataka High Court, is not settled in favour of the Company, then the credits taken by the Company amounting to Rs. 35,29,105 /-(Previous year Rs. 35,29,105/-) will have to be reversed.

5. M/s Chennai Refectories & Minerals has filed a suit for recovery and decree had been awarded of Rs. 11,70,907/-. This matter is pending with High Court, Karnataka.

6. Balances of Trade Debtors, Trade Creditors and Loans and Advances are subject to confirmation.

7. Details of Auditors remuneration,

Particulars	This Year	Previous Year
As Auditor (Exclusive of Service Tax)	50,000/-	50,000/-



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For GLOBAL ENERGY PRIVATE LIMITED
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8. Remuneration to Directors :

Particulars	This Year	Previous Year
Managing Director	Nil	Nil

9.

- a) The company has revalued its Land and Land Development during the year 1993-94 for the Second time after 1989-88, as per the valuation report of the Govt. Approved Valuer Mr. D.V. Telang, dated 25th March, 1994.
- b) As per the said report, the value of the Land on the date of his report is Rs. 14,59,37,750/-.

10.

The Central Bank of India vide a letter No.MMO/RKS/2009-10/331:294 dated 30th May 2009 has settled the amount outstanding as Secured/ Unsecured loan namely working Capital Term Loan (WCTL) and Funded Interest Term Loan (FITL) under One Time Settlement (OTS) for Rs. 15,00,00,000/- (Rs. Fifteen crores only) against the outstanding amount of Rs. 38,38,29,943/- (Rs. Thirty eight crores thirty eight lacs twenty nine thousand nine hundred forty three only). The balance amount of Rs. 23,38,29,943/- has been written off against the Fixed Asset namely Plant & Machinery against which the said amount was raised and subsequently increased with Interest charged on the same.

11.

The previous year figure has been regrouped wherever necessary to make them comparable with those of the current year.

12.

General Descriptions of the significant lease arrangements between Global Energy and others are as follows:

For the Power Plant taken on Right to use agreement from Belgundi Cement Limited the total of minimum lease payments due at the balance sheet date is Rs. 32.8 crores and the net present value of the minimum lease payments are as under –

- Not later than one year Rs. 1.0885 Crores
- Later than one year and not later than five years Rs 5.643 Crores
- Later than five years Rs 6.323 Crores
- The power plant has been given on a financial lease which can be read with the agreement dated 1994, 1995 and the parallel agreements of 1998 and 2003 and 2006.
- The Lease payments are scheduled as under – Rs 1.2 crores payable per annum during the term of the agreement commencing from the date of commercial operation of Power Plant, towards lease rentals.



Lasun Dheval
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For GLOBAL ENERGY PRIVATE LIMITED

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executed in the year 2003, from Global Energy Pvt. Ltd within a period of five years from the date of commencement of commercial supply of power from the power plant in the manner and or on terms as may be mutually agreed by the Parties. The company has commenced commercial operations since April 2007. The Company has received Rs 382,700 and balance amount receivable as on the date of balance sheet is Rs 2,96,17,300.

- g. The right to use agreement for power plant executed during 1994 is for a period of thirty years and the supplementary agreement executed in the year 2003 also is for a period of thirty years and provides for transfer of the Power Plant in favour of the user at an agreed salvage value of Rs 10,000,000. The Company has agreed to effect the conveyance of power plant in favour of the user at the end of the agreed period.
- h. As the Power Plant has started Commercial Production since 01.04.2007, The amount of Work in progress has been transferred to Fixed Assets but Depreciation on the same has not been charged as The Plant has been given on Right to use basis to Global Energy Limited as above.
13. The Cement plant has not generated any revenue since the beginning of financial year 2000-2001 The Company has not given effect to the Accounting Standard AS 28 for Impairment of Assets as the net realisable value of the Cement Plant is not ascertainable.
14. The company has become deemed public company as per the provisions of sub section (1-B) of Section 43A of the Companies Act, 1956, with effect from 29th November 1995.
15. The Loans and Advances include the following:
- | | | |
|---|--------------|--------------|
| Amount due from Companies under the same management | | |
| | C.Y. | P.Y. |
| Global Energy Pvt. Limited | 44,151,549/- | 35,633,432/- |
| Fusion Energy Technologies Pvt. Ltd. | 4,952,521/- | 4,952,521/- |
16. Quantitative Information as required under Para 3 & 4 D of Part II of Schedule VI of The Companies Act, 1956.

I	License Capacity	N.A. (Registered as SSI Unit)
II	Installed Capacity	40 T.P.D.

As certified by the Managing Director.

III	Production (MT)	2009-2010	2008-2009
	Clinker	Nil	Nil
	Cements	Nil	Nil
	Blocks (nos)	Nil	Nil



For GLOBAL ENERGY PRIVATE LIMITED

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	2009-2010		2008-2009	
	Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
Limestone	Nil	Nil	Nil	Nil
Coke Breeze	Nil	Nil	Nil	Nil
Clay	Nil	Nil	Nil	Nil
Graphite	-	-	-	-
Gypsum	Nil	Nil	Nil	Nil
Other				
Total		Nil		Nil

Blocks

	2009-2010		2008-2009	
	Qty	Value (Rs.)	Qty	Value (Rs.)
Dust/Fly Ash	15Tonnes	3,000	15Tonnes	3000
Khadi	-	-	-	-
Chips	-	-	-	-
Cement	900Bags	2,11,500	900Bags	2,11,500/-
Sand	-	-	-	-
Diesel	180Ltrs	7,021	180Ltrs	7,021/-
Total	-	2,21,521	-	2,21,521/-

V. Opening and Closing Stocks of Finished and semi Finished Goods

	Opening Stocks		Closing Stocks	
	Qty (MT)	Value (Rs.)	Qty	Value (Rs.)
Cements (2009-2010)	Nil	Nil	3000 Nos	2,61,427
(2008-2009)	3000Nos	261,427	Nil	Nil
Blocks (Nos) (2009-2010)	Nil	Nil	Nil	Nil
(2008-2009)	Nil	Nil	Nil	Nil

VI Sales

	2009-2010		2008-2009	
	Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
Cements	Nil	Nil	Nil	Nil
Block (Nos)	Nil	Nil	Nil	Nil

VII Other Additional Information

		2009-2010	2008-2009
A	Value of import on CJF Basis Raw Material, Stores, Spares etc.	Nil	Nil
B	Expenditure in Foreign Currency	Nil	Nil



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For GLOBAL ENERGY PRIVATE LIMITED
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Value of imported/indigenous Raw Material, Stores, Spares consumed	Nil	Nil
Raw Materials		
Imported	Nil (0%)	Nil (0%)
Indigenous	Nil (0%)	Nil (0%)
Stores & Spares		
Imported	Nil (0%)	Nil (0%)
Indigenous	Nil (0%)	Nil (0%)

17. The company has become as sick industrial company within the meaning of section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985, as its accumulated losses subject to the adjustment of revaluation, have exceeded its entire net worth

The Schedule A to N forming part of the Balance Sheet
As per our report of even date

For Chhabra & Associates



Sanjeev Chhabra
(Sanjeev Chhabra)
Proprietor
M.No.088058
Firm Reg. No.009846N
Place: New Delhi

Harry Dhaul
(Harry Dhaul)
Managing Director

Laxmi Dhaul
(Laxmi Dhaul)
Director

Date: 04-09-2010

For GLOBAL ENERGY PRIVATE LIMITED

[Signature]
Authorised Signatory

AUDIT REPORT

To,

**THE MEMBERS OF
INDIA ELECTRON EXCHANGE LIMITED**

- 1) We have audited the attached Balance Sheet of India Electron Exchange Limited As' at 31st March, 2012 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



For GLOBAL ENERGY PRIVATE LIMITED

A handwritten signature in blue ink, appearing to be 'G. S.', written over the printed name of the authorized signatory.

Authorised Signatory

- v. On the basis of the written representation received from the directors, as on 31st March 2012 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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, 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,

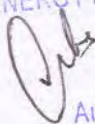
A. In the case of the Balance Sheet of the State of affairs of the Company as at 31st March 2012,

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

Place: New Delhi
Date: 23/09/12



VV Ketkar
Chartered Accountant
Membership No 047388

For GLOBAL ENERGY PRIVATE LIMITED

Authorised Signatory