

Annual Report 2009-10

# Winds of change



GEI INDUSTRIAL SYSTEMS LTD

## **DISCLAIMER**

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and estimates taken as assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

## **CONTENT**

Directors' Report **02** Management Discussion and Analysis **07** Report on Corporate Governance **10** Certificate from Practising Company Secretary **20** Secretarial Compliance Certificate **21** Auditor's Report **23** Balance Sheet **26** Profit and Loss Account **27** Schedules and Notes **28** Cash Flow Statement **38** Balance Sheet Abstract **39** Consolidated Accounts **40** Subsidiary Accounts **49**

## **Vision**

Provide innovative engineering systems and solutions.

## **Mission**

Provide innovative and reliable engineered products and services in the global energy sector at competitive prices, enhancing stakeholders' value.

## **Values**

**Learning:** Encourage openness to new ideas and challenges the status quo to create new opportunities for enhancing stakeholders' value.

**Communication:** Listen to our stakeholders and share information with them in an open and transparent manner.

**Leadership:** Provide performance leadership through cost effectiveness, reliability and responsiveness towards customers. Believe in leading people by creating an enabling environment that creates inspiration for excellence.

**Integrity:** Uphold the highest standards of integrity and commitment in all our interactions.

# Directors' Report

*Dear Shareholders,*

The Directors have pleasure in submitting the Seventeenth Annual Report and Audited Accounts of the Company for the financial year ended 31st March 2010.

Propelled by the buoyancy in key sectors like Power, your Company continued its growth momentum as the leading manufacturer of Air Cooled Heat Exchangers, Air Cooled Vacuum Steam Condensers and associated systems for Oil, Gas and Power Sectors. Performance of the Company for the financial year ended 31st March 2010 is highlighted below:

## Financial Highlights

- Gross Sales increased by 13 %
- Profit After Tax (PAT) increased by 38 %

Particulars	(Rs. in Lacs)	
	Year ended 31 March 2010	Year ended 31 March 2009
Gross Sales & Other Income	27044.53	23909.17
EBIDTA	3532.25	3028.78
Profit after Tax (PAT)	1428.64	1036.71
Balance Carried to Balance Sheet	3273.25	2098.56
Earning Per Share (Rs.)	8.32	7.14
Earning Per Share (Consolidated) (Rs.)	9.20	–

\* Figures have been regrouped as per current year's classification

## Accomplishments

Some of the major accomplishments of your Company during the year is stated below:

### Air Cooled Heat Exchanger:

- Secured order from Petroleum Development Oman for supply of Process Gas Coolers for Gas Fields.
- Secured order from Afcon-Gunanusa JV (a JV between Afcons of India and Gunanusa of Indonesia) for supply of Process Gas & Lube Oil Coolers for ICP-R platform of ONGC, Mumbai.

### Air Cooled Vacuum Steam Condenser (ACSC):

- Achieved unparalleled success in securing orders for Air Cooled Vacuum Steam Condensers totaling 1520 MW.

- Added 16 new names to our long list of clients for supplying Air Cooled Steam Condensers. Few of them are Walchandnagar Industries & Thyssen Krupp-Pune, Sarda Energy-Raipur, Shree Renuka Sugar-Mumbai and Ind Barath Pvt. Ltd., Hyderabad.

### ACSC of higher Capacity:

- Secured ACSC orders for 2 x 150 MW from Ind Barath Pvt. Ltd., 2 x 150 MW from Shree Mega Power and 6 x 60 MW from Jaypee Group, totaling 960 MW.
- Secured order from Sarda Energy and Minerals Ltd. for supply of ACSC for 80 MW.
- Successfully commissioned ACSC for 80 MW, Gummidipoondi Project for OPG Group.

## Future Prospects

Your Company caters to the entire spectrum of industries in Energy Sector, viz. Oil & Gas, Petroleum Refineries, Power Generation, Transmission/ Distribution etc and has emerged as **one of the largest Air Cooled Heat Exchanger Company in the World, providing “Innovative engineering systems and solutions”**.

Substantial investments are being committed by the Government and Private Entrepreneurs in the energy sector, which will help the Company to achieve accelerated growth.

## Export House Status

The Company has been recognized as an “EXPORT HOUSE” for the period of 4 years from 01.04.2010 to 31.03.2014 by the Ministry of Commerce & Industry, Government of India.

## Listing of Equity Shares at NSE

Company's equity shares have been listed at the National Stock Exchange of India Ltd (NSE) w.e.f. 13.08.2010. Now onwards, Company's Equity Shares can be traded both on the Bombay Stock Exchange Ltd (BSE) and the National Stock Exchange of India Ltd (NSE).

## Fixed Deposits

The Company has not accepted deposits from the public during the year under review. There were no overdue deposits for repayment on the date of this report.

## Dividend

The Directors are pleased to recommend a dividend of Rs.1 per equity share i.e 10% (Previous year Rs. 1 per equity share i.e. 10%) on the equity share capital, subject to approval by the members at the ensuing Annual General Meeting of the Company. The dividend, inclusive of dividend tax, will absorb an amount of Rs. 253.96 lakhs (Previous year Rs. 184.55 lakhs).

## Subsidiary Company – GEI Power Limited

As required under section 212 of the Companies Act, 1956, the Audited Statements of Accounts along with report of Board of Directors of GEI Power Limited (a wholly owned subsidiary) are annexed to this report.

## Auditors

The members are requested to appoint the Auditors for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

M/s A.K. Khabya & Co., Chartered Accountants, the Auditors of your Company, hold office till conclusion of the ensuing Annual General Meeting. The Directors recommend their re-appointment for a further period of one year in view of their eligibility.

## Secretarial Audit Report

As a measure of good Corporate Governance, Secretarial Audit of the Company was conducted by M/s. V. Sundaram & Co.

The Secretarial Audit Report confirms that the Company has complied with the requirements of Companies Act, 1956, Listing Agreement with the Stock Exchanges and other applicable laws.

## Directors

Mr. Sanjiv Singhal (Non Executive Director, Nominee of BTGC) was inducted into the Board of Directors of the Company.

Dr. Sudarshan Synghal and Mr. D. Laxminarayan retire from the Board of Directors by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Ms. Irene Valentine retires from the Board of Directors by rotation and is not seeking re-appointment.

The Company's application to the Central Government for payment of remuneration to Mr. Bernard John, Mrs. Evelyn Fernandes and Mr. D. Laxminarayan have been approved.

In the case of Mr. C E Fernandes, the Central Government's Order has not quantified the remuneration; hence, the Company is seeking review / quantification / approval of the remuneration as applied for.

## Industrial Relations

During the year under review, Industrial relations continued to remain harmonious. The Company had conducted various training programmes for the development of the employees.

## Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' responsibility statement, it is hereby confirmed that :

- i) In the preparation of the account for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The Directors have prepared the accounts for the financial year ended on 31st March 2010 on a going concern basis.

## Conservation of Energy, Technology Absorption and Foreign Exchange

Information in accordance with the provision of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and

foreign exchange earnings and outgo is given in Annexure-A, forming part of this report.

## Particulars of Employees

Information in accordance with Rules, 1975 read with Section 217(2A) of the Companies Act, 1956 regarding particulars of employees is given in Annexure - B forming part of this report.

## Corporate Governance

As required under the Companies Act, 1956 and the Listing Agreement with the Stock Exchange, the Company adheres to the principles of Corporate Governance and continues to focus on adopting the best Corporate Governance practices. A detailed report duly certified by the Practicing Company Secretary forms part of this report.

## Acknowledgement

Your Directors wish to express their grateful appreciation for the assistance and co-operation received from the Government Authorities, Financial Institutions, Banks, Customers and other stakeholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services rendered by the Executives, Staff and Workmen of the Company.

For and on behalf of the Board

Place : Bhopal

Date : 23.08.2010

**C E Fernandes**

*Chairman & Managing Director*

## ANNEXURE – A

### Annexure to Directors' Report for the year ended 31st March 2010

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo. [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]

### Conservation of Energy

a.	Measures Taken :	Consumption of power in the year 2009-10 increased due to increased load in Heat Treatment and Shop Test Load. Company has undertaken following measures to reduce consumption of power:
		i) Optimizing load in Heat Treatment furnace.
		ii) Strict vigil ensured on Power, Light and Air conditioning load.
		iii) Induction of energy efficient welding machines in place of conventional welding machines.
		iv) Optimizing power factor by introducing additional capacitors.
b.	Additional Investments and proposals, if any for reduction in consumption of energy	No additional investment proposed.
c.	Impact of a & b	Saving in Light & Power Load
d.	Total energy consumption	As per Form – A of the Annexure to the Rules in respect of Industries specified in the schedule thereto.

## Form – A

### Power & Fuel Consumption

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
<b>a) Purchased</b>		
Unit-Kwh	1681320	1673436
Total Amount (Rs.)	8824909	8748182
Rate / Unit (Rs.)	5.25	5.23
<b>b) Own Generation</b>		
Through Diesel Unit-Kwh	16872	11244
Cost / Unit (variable) Rs.	15.12	17.30
Consumption of Electricity – Per M.T. of Heat Exchangers (in Kwh)	159.45	211.90

## Form – B

### Research and Development

<b>1. Expenditure on R &amp; D*</b>	
a) Capital	Nil
b) Recurring	Nil
c) Total	Nil
d) Total R&D expenditure as a percentage of total turnover	Nil

\* Project specific R&D expenses were accounted in the respective projects.

\* The Company is in process of expanding its Technology / R & D Centre.

### 2. Foreign Exchange Earning & Outgo

Details of earning and outgo of foreign exchange are given in Sub-Clause (G), (H) & (I) of Clause 10 under "Schedule 18 (B) - Notes on Accounts".

## ANNEXURE – B

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2010

Name of Employee	Designation	Age	Last Employment	Designation in last Employment	Date of Joining	Qualification	Experience	Gross Remuneration (in Rs.)
Mr. C E Fernandes	Chairman & Managing Director	68	-	-	28.12.1993	Diploma in Business Management	48	14563117
Mr. Bernard John	Joint Managing Director	53	-	-	09.03.1994	Diploma in Mechanical Engineering	32	7318619
Mrs. Everlyn Fernandes	Whole Time Director	64	-	-	10.01.2002	Metric	37	4230800
Mr. D. Laxminarayan	Executive Director	62	-	-	18.10.1997	B.E. (Mechanical)	40	4211467





# Management Discussion and Analysis

## 1. Review of the Economy

During the year 2009-10, the resilient Indian economy withstood the after-shocks of the western financial crisis and fared relatively better than other economies recording a GDP Growth of 7.4%. This growth was facilitated by infrastructure investments, especially in Oil, Gas & Power Sectors.

### Power Sector overview

Power development is the key to the economic development. India is likely to commission 50,000 MW in the Eleventh Plan and a projected 100,000 MW in the Twelfth Plan. Considerable emphasis has been placed on attracting private investment and major policy changes have been announced by the Government.

### Oil & Gas Sector overview

The Oil & Gas Industry has been instrumental in fueling the rapid growth of the Indian economy. India has total reserves of 775 million metric tones (MMT) of crude oil and 1074 billion cubic metres (BCM) of natural gas as on April 2009. In the eighth round of the NELP, 1.62 Sq. Km area will be covered comprising 70 blocks.

Gas availability in India is expected to grow at 23 percent compounded annual growth rate (CAGR). To capture the opportunity, GAIL is investing significantly in the pipeline network.

Demand for capital equipments, particularly for the Oil, Gas & Power Sectors shall remain buoyant during the coming

years, which will help maintain the demand for your Company's products.

## 2. Business / Financial Review

During the year, the Company delivered impressive results, capitalising on the emerging opportunities in the Power Sector.

Gross Sales increased by 13 % from Rs. 23909.17 lacs in 2008-09 to Rs. 27044.53 lacs in 2009-10.

Profit After Tax (PAT) increased by 38 % from Rs. 1036.71 lacs in 2008-09 to Rs. 1428.65 lacs in 2009-10 (Consolidated PAT: Rs. 1575.45 lacs).

Employee costs were at Rs. 1642.53 lacs (Previous year Rs. 1462.56 lacs). In relation to the turnover, the employee costs were at 6.78%, which is in line with the industry trend.

Finance charges were at Rs. 1206.98 lacs (Previous year Rs. 1127.27 lacs). In relation to the turnover, the finance charges decreased from 5.29 % to 4.98 %.

Depreciation for the year was Rs. 202.57 lacs as against Rs. 181.29 lacs in the previous year.

Credit Analysis and Research Limited (CARE) carried out the rating of the Company for Short-Term borrowings (**PR2 + : Adequate capacity for timely payment of short-term debt**) and Long-Term borrowings (**CARE A - : Offer adequate safety for timely servicing of debt obligations**). The ratings have helped the Company to obtain reduction in the interest rates from Banks/Financial Institutions.

### 3. Capital Structure and Loans

The Company allotted 9,00,000 Equity Shares to Promoters on 03.09.2009 at a price of Rs. 58.50 per share (including premium of Rs. 48.50) on conversion of warrants issued earlier.

The Company allotted 14,50,000 Equity Shares to BanyanTree Growth Capital LLC, Mauritius on 20.08.2009 at a price of Rs. 75.00 per share (including premium of Rs. 65.00).

During the year, the Working Capital limit remained constant at Rs. 17,850 Lacs consisting of fund based and non-fund based facilities.

### 4. Opportunities, Threats, Risks and Concerns

#### Opportunities

Oil & Gas, Petroleum Refineries, Power Utilities, Chemical, Sugar, Cement, Fertilizers and other Industries continue to be major users of Air Cooled Heat Exchangers, Air Cooled Vacuum Steam Condensers and associated systems. Substantial investments are being made in Oil, Gas and Power Sectors, both private and public, which will help generate demand for the Company's products.

#### Threats, Risks & Concerns

The Company's fortunes are linked with growth/ investments in Core Sectors such as Oil & Gas, Petroleum Refineries, Power utilities and also overall Industrial Development. In the unlikely event of a down trend in these Sectors, the performance of the Company may be affected.

### 5. Challenges

The Company faces normal market competition in its business from Indian as well as International Companies. However, with its excellent track record on product innovation, engineering capabilities, manufacturing capacity and global cost competitiveness, the Company remains confident to face the competition successfully and improve its market share.

### 6. Outlook

The Company has orders worth Rs. 450 Crores as on date and is well placed to receive further business from its major/ regular clients for execution during the current year. The Company has in-house capability for design and manufacture of Air Cooled Vacuum Steam Condensers upto 660 MW single unit. This will help the Company to target and obtain business from higher capacity power projects.

### 7. Customer Care

The Company has infused a customer-oriented culture throughout the organization in tune with a dynamic environment – by close interaction, by anticipating customer needs, by remaining flexible to adapt and respond and by harnessing all its resources to enhance customer care and value.

### 8. Adequacy of Internal Control System

The Company has a proper and adequate system of internal controls commensurate with the size and nature of its business. Internal audit is conducted on a regular basis and covers all key areas of operations. Significant audit observations and follow-up actions thereon are reported to the Audit Committee.

### 9. Safety

The Company accords very high priority in maintaining best safety practices and high standards in enhancing the safety performance and attaches utmost importance to safety standards at all installations of the Company/ Work Site(s).

### 10. Environment

The Company continues to strive towards its commitment to protect and promote the environment. The Company stresses upon strict compliance with all applicable rules and regulations, effective environmental management systems, maximizing resource utilization and reduction in waste generation for ensuring highest care and respect for the environment.

## 11. Human Resource and Industrial Relations

The Company attaches utmost priority to Human Resource Development, with focus on regular upgradation of the knowledge and skills of the employees and equipping them with expertise to meet the challenges of change and growth successfully. A number of initiatives have been taken by HR Department to help the employees achieve their objectives and align them in line with the business strategies of the Company. Performance oriented culture has been created and every individual working in the organization has clear targets, which are monitored regularly.

Industrial relations remained very cordial throughout the year. Through regular in-house-training programs, the Company maintains focus on employee motivation at high levels. The Company has been continuously creating opportunities for

the employees to acquire multi-tasking skills to face future challenges.

## 12. Cautionary Statement

Statements in the 'Management Discussion and Analysis' describing Company's projections, estimates, expectations or predictions may be viewed as 'forward looking statements' within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand & supply conditions, raw material prices, changes in Government regulations, tax regimes, economic developments within the country and abroad, and similar other factors.

# Report on Corporate Governance for the year ended 31st March 2010

In compliance with clause 49 of the Listing Agreement with the Stock Exchange, the Company submits the report on the matters mentioned in the said clause and practices as followed :

## 1. Company's Philosophy on Corporate Governance

GEI Industrial Systems Ltd (GEI) is committed to the espousal of best governance practices and their adherence in true spirit across the Company at all times. Corporate Governance is the ideology of transparency and openness in the effective working of the Management and Board. The essence of Corporate Governance is not merely in drafting a code of conduct but the following of code in practice. GEI believes in conducting its affairs in a manner, which is transparent, open and evident to

those having dealings with or having a stake in the Company namely, shareholders, lenders, creditors, employees etc. GEI's philosophy for Corporate Governance rests on the ethics, values and morals of the Company and its Directors.

## 2. Board of Directors

As on 31st March 2010, the Board comprised of 11 Directors, out of which 4 were Independent & Non-Executive Directors. Mr. Sanjiv Singhal (Non-Executive Director, Nominee of BTGC) was inducted in the Board. Further Independent Director(s) would be inducted in the Board in compliance with clause 49 of the Listing Agreement. The present composition and categories of Directors are as under:

S.No.	Name of Director	Category
1.	Mr. C E FERNANDES	Promoter & Executive Director
2.	Mr. BERNARD JOHN	Promoter & Executive Director
3.	Mr. PANNALAL MUNDHRA	Promoter & Executive Director
4.	Mrs. EVERLYN FERNANDES	Promoter & Executive Director
5.	Ms. IRENE VALENTINE	Promoter & Non Executive Director
6.	Mr. D. LAXMINARAYAN	Executive Director
7.	Mr. S.C. DUGGAL	Independent & Non-Executive Director
8.	Mr. VIJAY KHANNA	Independent & Non-Executive Director
9.	Dr. SUDARSHAN SYNGHAL	Independent & Non-Executive Director
10.	Mr. K. NANDAKUMAR	Independent & Non-Executive Director
11.	Mr. SANJIV SINGHAL	Non-Executive Director (Nominee of BTGC)

### 3. Board Procedure

#### Board Meeting:

During the financial year 2009-10, the Board of Directors met 8 times

Meeting of	Date of Meeting	Total Directors	Attendance by No. of Directors
Board of Directors	21st April 2009	10	4
	28th May 2009	10	4
	12th June 2009	10	7
	30th June 2009	10	7
	14th July 2009	10	8
	3rd September 2009	10	4
	30th October 2009	11	7
	28th January 2010	11	5

### 4. Shareholders' / Investors' Grievance Committee

The Shareholders/ Investors' Grievance Committee consists of Mr. S.C Duggal and Mr. Vijay Khanna, Independent & Non-Executive Directors.

The Committee looks into the redressal of investors/shareholders' grievances, if any, like delay in

transfer, transmission, demat of share(s), loss of share certificates, non receipt of annual report, dividend warrant etc.

The Committee reviews performance of the Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

During the financial year 2009-10, the Shareholders' cum Investors' Grievance Committee met 4 times.

Meeting of	Date of Meeting	Total Members	Attendance by No. of Members
Shareholders'/ Investor's Grievance Committee	12th June 2009	2	2
	14th July 2009	2	2
	30th October 2009	2	2
	27th January 2010	2	2

A summary of complaints received and resolved by the Company during the year ended 31st March 2010 is given below.

	Received	Cleared
Non receipt of share certificate duly transferred/Dividend Warrants	13	13
Miscellaneous	3	3
Letters from SEBI/Stock Exchanges/Ministry of Corporate Affairs	1	1

### 5. Audit Committee

Composition of Audit Committee of the Company.

The Audit Committee is constituted in accordance with the provisions of Listing Agreement & the Companies Act, 1956. One of

the Member acts as Chairman of the Committee meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present. The Company Secretary acts as Secretary to the Committee.

The Audit Committee comprises of four (4) Directors out of which three (3) Directors are Independent & Non-Executive.

Name of Director	Status	No. of Meetings attended
Mr. S C Duggal	Chairman	4
Mr. Vijay Khanna	Member	4
Dr. Sudarshan Synghal	Member	3
Mr. C E Fernandes	Member	4

## Meeting and Attendance

During the financial year 2009-10, the Audit Committee met 4 times. The Audit Committee also met on 28th April 2010, for review and finalisation of accounts for the year ended March 31 2010.

Meeting of	Date of Meeting	Total Members	Attendance by No. of Members
Audit Committee	30th June 2009	4	4
	14th July 2009	4	4
	30th October 2009	4	4
	27th January 2010	4	3

### Powers of Audit Committee

The Audit Committee shall have powers, which includes the following :

1. To investigate any activity within its terms of reference.
2. To seek any information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it is considered necessary.

### Role of Audit Committee

The role of the Audit Committee shall include the following :

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing with the Management, the annual financial statements before submission to the Board for approval, with particular reference to :

- a. Matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (2A) & (2AA) of Section 217 of the Companies Act, 1956.
- b. Changes, if any, in accounting policies and practices and reasons for the same.
- c. Major accounting entries involving estimates based on the exercise of judgment by Management.
- d. Significant adjustment made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Disclosure of any related party transactions.
- g. Qualification in the draft audit report.

5. Reviewing with the Management, the quarterly financial statement before submission to the Board for approval.
6. Reviewing with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
8. Discussion with the internal auditors on any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.

13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term “related party transactions” shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by ‘The Institute of Chartered Accountants of India’

Explanation (ii): If the Company has set up an Audit Committee pursuant to provision of the Companies Act, 1956, the said Audit Committee shall have additional functions/features as is contained in this clause.

## 6. Remuneration Committee

### Description

- To review, assess and recommend the appointment of Whole time Directors.
- To periodically review the remuneration package of Whole time Directors and recommend suitable revision to the Board.
- The Remuneration committee comprises of four Directors out of which three Directors are Independent & Non-executive Directors.
- The constitution of the Committee as at 31.03.2010 and the attendance of each member is as given below :

Name of Director	Status	No. of Meetings attended
Mr. Vijay Khanna	Chairman	1
Mr. S.C. Duggal	Member	1
Dr. Sudarshan Synghal	Member	1
Mr. Bernard John	Member	1

During the year 2009-10, the remuneration committee met on 14.07.2009.

## 7. Corporate Social Responsibility

As part of its CSR initiative, the Company had launched a novel scheme to offer English Medium Free Education to children of employees whose salary is less than Rs. 7,500 per month. During the year, 54 children were enrolled and in the next year we expect this number to go up.

Company with the help of ‘The Confederation of Indian Industry’ (CII) sponsored 15 children from nearby villages under CII – iLEAD (Livelihood Education And Development)

Project. Under this project, the students from weaker section of society are being encouraged to participate in training modules to enhance their capabilities and in turn increase their livelihood.

Company organised visits of counselors to the employees’ residence to counsel the housewives and children on saving, financial planning, education, career etc.

The Company has plans to initiate many more schemes for the welfare of the society.

## 8. Code of Conduct

The Board of Directors (the "Board") and the senior Management of GEI Industrial Systems Ltd (GEI) subscribe to the following Code of Conduct adopted by the Board.

Discharging their duties with due care & diligence as well as maintain professionalism and exercise their authority within the powers while dealing with any officer, agent, employee, shareholder, customer, supplier, auditor, lawyer and advisor of the Company.

While executing their duties, they will keep in mind the best interest of the Company, Company's shareholders, stakeholders and interest of the Nation and not influenced by personal interest or gain.

Maintain confidentiality of information and use utmost caution in deciding its disclosure or dissemination, ensuring that no personal advantage or detriment to the Company results from the same. Make available to and share information with other Directors/ Executives of the Company when considered expedient in the best interest of the Company.

Protect and use the Company's assets for legitimate business purposes and be alert to situations that could lead to loss or misuse of these assets, make adequate disclosures, where necessary.

Act in a manner that will protect the Company's reputation.

Comply in true spirit and in letter, with all applicable laws, rules and regulations of the Nation that may be formulated from time to time and as applicable.

I, C E Fernandes, Chairman & Managing Director of GEI Industrial Systems Ltd hereby declare that all the Board members and senior managerial personnel have affirmed compliance with the code of conduct of the Company laid down for them.

Place : Bhopal  
Date : 23.08.2010

**C E Fernandes**  
*Chairman & Managing Director*

## 9. Attendance record / Outside Directorship / Committee Positions of the Board of Directors

S.No.	Name of Director	Attendance at Board, Committee Meetings and Annual General Meeting				Outside Directorship and Other Committee Positions	
		No. of Board Meetings attended	No. of Audit Committee Meetings attended	No. of Share Transfer cum Investor Grievance Committee Meetings attended	Last Annual General Meetings attended	Directorships	Committee Position
1	Mr. C E Fernandes	8	4	–	Yes	1	–
2	Mr. P.L.Mundhra	1	–	–	No	1	–
3	Mr. Bernard John	8	–	–	Yes	1	–
4	Mrs. Everlyn Fernandes	8	–	–	Yes	2	–
5	Mr. D. Laxminarayan	6	–	–	No	–	–
6	Mr. S.C.Duggal	4	4	4	Yes	1	–
7	Mr. Vijay Khanna	5	4	4	Yes	–	–
8	Mr. Sudarshan Syngal	4	3	–	Yes	–	–
9	Ms. Irene Valentine	0	–	–	No	–	–
10	Mr. K Nandakumar	1	–	–	No	6	–
11	Mr. Sanjiv Singhal	1	–	–	No	3	–



## 10. Remuneration of Directors

The remuneration paid to the Directors during the financial year was as follows :

Name of the Director	Salaries	Perquisites	Grand Total
Mr. C E Fernandes*	14400000	163117	14563117
Mr. P. L. Mundhra	1800000	80800	1880800
Mr. Bernard John	7200000	118619	7318619
Mrs. Everlyn Fernandes	4200000	30800	4230800
Mr. D. Laxminarayan	4106400	105067	4211467
<b>Total</b>	<b>31706400</b>	<b>498403</b>	<b>32204803</b>

\* Under review / quantification / approval of the Central Government.

Pursuant to the approval of the members in its 16th Annual General Meeting of the Company, the commission paid to the Independent & Non-Executive Directors during the year was as follows :

Name of the Director	Sitting Fees	Commission paid
Mr. S C Duggal	32000	400000
Mr. Vijay Khanna	40000	400000
Dr. Sudarshan Syngal	32000	400000
Mr. K. Nandakumar	8000	200000
<b>Total</b>	<b>112000</b>	<b>1400000</b>

## 11. General Body Meeting

Particulars of Annual General Meetings and Extra Ordinary General Meetings held during the last three years

Year	Date	Venue	Time	Meeting
2006-07	22nd March 2007	26/A - Industrial Area, Govindpura, Bhopal - 462 023	04.00 P.M.	EGM
2006-07	28th September 2007		04.00 P.M.	AGM
2007-08	29th September 2008		04.00 P.M.	AGM
2008-09	14th July 2009		04.30 P.M.	EGM
2008-09	30th September 2009		04.00 P.M.	AGM

No Special Resolution was put through postal ballot during the year.

## 12. Dividend, Payment Date

The dividend, if approved by the Members of the Company will be payable on or after 2nd October 2010.

## 13. Disclosures

### a. Disclosure regarding materially significant related party transactions

No transaction of material nature has been entered into by the Company with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. Transactions with related parties are

disclosed in Note No. B (5) of schedule 18 to the Accounts in the Annual Report.

### b. Disclosure of non-compliance by the Company

There was no instance of non-compliance or penalty imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matter related to capital market during the last three years.

### c. Whistle Blower Policy

The Company's Whistle Blower Policy is an established mechanism for employees to report to the Management concerns about unethical behavior, actual /suspected

frauds etc. and to safeguard employees against victimisation.

## 14. Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are also published in the prescribed pro-forma as per the listing agreement in leading news papers namely The Economic Times, Nav Bharat Times, Business Bhaskar, Free Press,

Central Chronicle, Nav Bharat and Sandhya Prakash. The Company discloses the material information on its website [www.geiind.com](http://www.geiind.com). The Company also has an exclusive e-mail ID ([cs@geiind.com](mailto:cs@geiind.com)) for investors to contact the Company in case of any information and grievances.

## 15. Management Discussion and Analysis Report

The Management Discussion and Analysis Report is a part of the Annual Report.

## 16. General Shareholder Information

### Annual General Meeting

Date & Time	:	30th September 2010 at 4.00 P.M.
Venue	:	Registered office of the Company at 26/A, Industrial Area, Govindpura, Bhopal (M.P.) 462 023
Book Closure	:	24th September 2010 to 30th September 2010 (Both days inclusive)

### Financial Calendar 2009 - 10

First Quarter Result	:	14th July 2009
Second Quarter Result	:	30th October 2009
Third Quarter Result	:	28th January 2010
Fourth Quarter Result	:	28th April 2010
Annual results for the year ended 31.03.2010	:	28th April 2010

### Listing on Stock Exchanges

- i. Bombay Stock Exchange Limited, Mumbai
- ii. National Stock Exchange of India Ltd, Mumbai

### Equity

Stock Code / Symbol	:	530743 / GEINDSYS
ISIN No.	:	INE 599 B01011
Preference Shares	:	Issued to IDBI (Rs. 3,00,00,000)
ISIN No.	:	INE 599 B04015

The Company has paid the listing fees of the Bombay Stock Exchange Limited, Mumbai. The Company's shares have been delisted from Madhya Pradesh Stock Exchange Limited, Indore.

## 17. Market Price Data

The monthly high and low market price of the shares with volume at the Bombay Stock Exchange Ltd. (BSE) during the financial year 2009-10 are as under:

Period (2009-2010)	High	Low	Volume of Shares Traded
Apr-09	53.70	29.80	1354115
May-09	59.50	36.50	1022261
Jun-09	74.45	57.50	1272538
July-09	61.85	48.50	506813
Aug-09	75.70	53.15	2836042
Sep-09	80.90	63.80	2062000
Oct-09	77.00	65.00	789266
Nov-09	73.00	62.10	422824
Dec-09	74.35	66.00	569589
Jan-10	84.80	70.15	2355146
Feb-10	87.85	74.30	977940
Mar-10	116.70	83.85	3577802

(Source : BSE Website)

## 18. Share Transfer System

Share Transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects.

Any query relating to shares and request for transactions such as transfer, transmission and nomination facilities, duplicate share certificates, change of address, non-receipt of dividend/Annual Report and also regarding dematerialisation of shares may please be taken up with:

Link Intime India Pvt Ltd.,  
(Unit :- GEI Industrial Systems Ltd)  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West),  
Mumbai 400 078  
Tel. No. 022-2596 3838  
Fax No. 022-2594 6969

## 19. Category of Shareholding as on 31.03.2010

Category	No. of Shares	Percentage of Total Shares
Indian Promoters	6884525	41.41
Mutual Funds/UTI/Banks/FIs	13600	0.08
Private Body Corporates	1275971	7.67
Indian Public	4857320	29.22
Non-Resident Indians, OCB's and Others	235803	1.42
Foreign Corporate Bodies	1945000	11.70
Foreign Institutional Investors	1262925	7.60
Clearing Members	149436	0.90
	<b>16624580</b>	<b>100.00</b>

## 20. Distribution of Shareholding as on 31.03.2010

Shareholding of Nominal Value of Rs.		No. of Shareholders	% of Total	Share Amount Rs.	% of Total
1	5000	7022	83.47	12247190	7.37
5001	10000	697	8.29	5941210	3.57
10001	20000	318	3.78	5127100	3.09
20001	30000	112	1.33	2935550	1.77
30001	40000	55	0.65	1997350	1.20
40001	50000	53	0.63	2565840	1.54
50001	100000	80	0.95	6138020	3.69
100001	*****	76	0.90	129293540	77.77
		<b>8413</b>	<b>100.00</b>	<b>166245800</b>	<b>100.00</b>

## 21. Shareholding Pattern as on 31.03.2010

Category of shareholder		No. of Shares Held	% of holding
(A)	<b>Promoters Holding</b>		
	<b>1. Promoters</b>		
	Indian	6884525	41.41
	Foreign	0	0
	<b>2. Persons acting in concert</b>	0	0
	<b>Sub Total (A)</b>	<b>6884525</b>	<b>41.41</b>
(B)	<b>Non-Promoter Shareholding</b>		
	<b>1. Institutional Investors</b>		
	a. Mutual Funds / UTI	12500	0.07
	b. Banks, Financial Institutions, Insurance Companies / Central, State Govt. Institutions / Non-Government Institutions	1100	0.01
	c. Foreign Institutional Investors	1262925	7.60
	<b>Sub Total</b>	<b>1276525</b>	<b>7.68</b>
	<b>2. Others</b>		
	a. Bodies Corporate	1275971	7.67
	b. Indian Public	4857320	29.22
	c. NRI / OCB	235803	1.42
	d. Any Others (Specify)		
	i. Foreign Corporate Bodies	1945000	11.70
	ii. Clearing Members	149436	0.90
	<b>Sub Total</b>	<b>8463530</b>	<b>50.91</b>
	<b>Total Public shareholding (B)</b>	<b>9740055</b>	<b>58.59</b>
	<b>Total (A)+(B)</b>	<b>16624580</b>	<b>100.00</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0.00
	<b>Grand Total</b>	<b>16624580</b>	<b>100.00</b>

The Company has not issued any ADR/GDR.

## 22. Dematerialisation of shares as on 31.03.2010

The Company's equity shares are included in the list of Companies whose script have been mandated by SEBI for settlement only in dematerialised form by all investors. 95.15% of the Company's total paid up share capital representing 1,58,19,072 shares are held in dematerialized form. The Company's shares are traded on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Ltd, Mumbai.

## 23. Nomination Facility

Individual shareholders can now avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and /or amount payable in respect of the shares shall vest in the event of the death of shareholder(s). A minor also can be a nominee provided the name of the guardian is given in the nomination form. The facility of nomination is not available to non-individual shareholders such as body corporates, financial institutions, kartas of Hindu Undivided Families and holders of Power of Attorney.

## 24. Secretarial Audit for reconciliation of Capital

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock exchanges where the shares are listed. The Audit confirms that the total listed and paid-up capital and the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form are reconciled.

## 25. CEO/CFO Certification

We, C E Fernandes, Chairman & Managing Director and P.V. Sundaram, President (Corporate Management) of GEI Industrial Systems Ltd, certify :

- (a) That we have reviewed the financial statements and the cash flow statement for the year ended 31st March

2010 and that to the best of our knowledge and belief :

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

**P V Sundaram**

*President*

*(Corporate Management)*

Place : Bhopal

Date : 23.08.2010

**C E Fernandes**

*Chairman & Managing Director*

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY  
ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)**

I have examined the compliance of conditions of Corporate Governance by GEI Industrial Systems Ltd for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. I state generally that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Transfer cum Investor Grievance Committee.

I further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. Sundaram & Co.

Place: Mumbai  
Dated: 23.08.2010

**V. Sundaram**  
*Company Secretary*  
CP No. 3373

## SECRETARIAL COMPLIANCE CERTIFICATE

CIN: L28112MP1993PLC008029

Nominal Capital: Rs. 23 Crores

The Board of Directors  
GEI Industrial Systems Ltd,  
26/A, Industrial Area, Govindpura  
Bhopal-462023

We have examined the registers, records, books and papers of GEI Industrial Systems Ltd, ("the Company"), as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made there under, Listing Agreements, SEBI Regulations and also the provisions contained in the Memorandum and Articles of Association of the Company ("the requirements") for the financial year ended on 31st March 2010.

Based on our examination as well as information and explanation furnished by the Company and its officers and the records made available to us, we hereby report that:

1. The requisite statutory registers and other records required under the Act and the rules made there under have been maintained in accordance with the Act either in physical or electronic mode as applicable.
2. The requisite forms, returns and documents required under the Act and the rules made there under to be filed with the Registrar of Companies and other authorities have been duly filed.
3. The Board of Directors constituted by the Company which consists of 11 members. During the year under review, the Board had met 8 times and the minutes have been recorded properly in the Minutes Book maintained for the purpose. During the year under review, the Company had appointed one director Mr. Sanjiv Singhal as a nominee of Banyantree Growth Capital LLC, at its Board Meeting held on 30.10.2009. The reappointment of directors who retired by rotation during the period under review at the Annual General Meeting has been reappointed in accordance with the requirement of the Act.
4. The Annual General Meeting for the financial year 2008-09 was held on 30th September 2009. The Company has not passed any resolution by Postal Ballot.
5. The Company has not passed any resolution through Postal Ballot during the year under review.
6. As required under the Listing Agreement and the Companies Act, 1956, the Company has the following Committees:
  - Audit Committee: The Committee had met 4 times during the year under review.
  - Shareholders/Investor' Grievance Committee: The Committee had held 4 meetings during the year under review.
  - Remuneration Committee: The Committee had held 1 meeting during the year under review. The meeting held on 14th July 09 considered the appointment and revision of salary to the Executive Director w.e.f. 1st April 09.
  - Minutes of the above meetings were properly recorded.
7. The Company has complied with the requirements of the Depositories Act, 1996 pertaining to dematerialization of shares and wherever required, share certificates have been issued and delivered to shareholders within the statutory period and the transfers/transmissions thereof have been carried out and registered as per the requirements.
8. Declaration and payment of dividend for the previous financial year was made during the year under review.
9. Charges created, modified or satisfied by the Company were duly filed and noted and entered in the Register maintained for the purpose during the financial year ended 31st March 2010.

10. The Company has complied with the provisions of Section 372A and other provisions of the Act in respect of guarantees given, loans granted to Companies and investments by way of equity shares in other Companies during the financial year ended 31st March 2010. The Company had, wherever required, obtained the necessary approvals as per the requirements of the Act. The necessary entries have been made in the Register kept for the purpose.
11. The Company has not accepted any Fixed Deposits nor issued any debentures. The Annual Return and Annual Reports have been filed as required under the Act. The Company has, therefore not defaulted in any of the provisions of Section 274(1) (g) of the Act, which may otherwise disqualify the Directors of the Company from acting as a Director of any other Company under the said section.
12. Due disclosures under the requirements of the statutes have been made by the Company. The Company has complied with the requirements in pursuance to the Listing Agreements with the Stock Exchanges.
13. The Company has complied with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as amended from time to time including Regulation 8A(4). The Company has filed statements with the stock exchanges under the Regulation 8 (3) of the said regulations within 21 days from 31st March 2010 and from the book closure.
14. The Company has complied with the Listing Agreement with Stock Exchanges pertaining to submissions of the statements, documents, disclosure requirements, publication in newspapers, press releases, Corporate Governance standards as prescribed in clause 49, within time limit specified in the Listing Agreement.
15. The Company has complied with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time and has within the time limit specified submitted the information received from the shareholders with regard to any purchase or sale in excess of requisite percentage of the paid up share capital to the respective stock exchanges.
16. The Company has instituted and complied with the Code of Conduct for Directors and other senior executives as required under Clause 49 of the Listing Agreement.

For **V. Sundaram & Co.**

**V. Sundaram**  
*Company Secretary*  
CP No. 3373

Place: Mumbai

Dated: 23.08.2010



## Auditor's Report

To  
The Members,  
**GEI Industrial Systems Ltd**

1. We have audited the attached Balance Sheet of GEI Industrial Systems Ltd as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement 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 conducted our audit in accordance with the 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.
  3. As required by the Companies (Auditor's 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 and 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 purposes of our audit;
    - ii) In our opinion, proper books of account 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 and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
    - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ;
- v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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 thereon, specifically Note No. 6 regarding excess managerial remuneration of Rs. 79.99 lakhs pending approval of Central Government, give the information 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 ; and
    - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **A.K. Khabya & Co.**  
*Chartered Accountants*

**CA. M.N.G. Pillai**  
*Partner*

Place: Bhopal  
Date: 23rd August 2010

Membership No.74051  
FRN 001994C

## Annexure to the Auditor's Report

Annexure as referred to in paragraph 3 of our report of even date of GEI Industrial Systems Ltd on the Accounts for the year ended on 31st March 2010

- i) a) On the basis of available information the Company has properly maintained records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us the assets have been physically verified by the management as per a program of verification in a periodical manner, 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.
- c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- ii) a) As explained to us the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification as compared to the book records.
- iii) a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii)(b), (c) and (d) of the Order are not applicable.
- b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii)(f) and (g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and service. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weaknesses in the internal control systems.
- v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section.
- b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the purview of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, during the year. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) According to the information and explanations given to us the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for the products manufactured by the Company.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities.
- b) According to the information and explanations given to us, the following are the particulars of statutory dues as

## Schedules forming part of the Accounts as at 31st March 2010

at 31st March 2010 not deposited on account of a dispute pending:

(Amount in Rs.)

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates F.Y.	Forum where the dispute is pending
Sales Tax Law	Central Sales Tax	569830	2005-2006	Board of Revenue, Bhopal
Sales Tax Law	Central Sales Tax	3144803	2006-2007	Board of Revenue, Bhopal
Income Tax Act	Income Tax Demand	3171740	2005-2006	Commissioner of Income Tax
Income Tax Act	Income Tax Demand	3360566	2006-2007	Commissioner of Income Tax

- x) The Company has no accumulated losses as at 31st March 2010 and it has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, 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.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv) In terms of the information and explanations given to us, the Company has given corporate guarantee for loan taken by Subsidiary Company from banks or financial institutions.
- xvi) According to the information and explanations given to us, the term loans have been applied by the Company for the purposes for which they were obtained.
- xvii) According to the Cash Flow Statement and other records examined by us and information and explanations given to us, on an overall basis, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
- xviii) According to the information and explanations given to us the Company has made preferential allotment of shares/warrants to parties covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares/warrants have been offered is according to SEBI guidelines and not prejudicial to the interest of the Company.
- xix) The Company has not issued any debentures.
- xx) The Company has not raised any money by way of public issues during the year.
- xxi) According to the information and explanations given to us and in our opinion, no instances of fraud on or by the Company have been noticed or reported during the year nor have we been informed of such case by the Company.

For **A.K. Khabya & Co.**  
Chartered Accountants

**CA. M.N.G. Pillai**  
Partner

Place: Bhopal  
Date: 23rd August 2010

Membership No.74051  
FRN 001994C

## Balance Sheet as at 31st March 2010

(Amount in Rs.)

Particulars	Schedule	31.03.2010	31.03.2009
<b>SOURCES OF FUNDS:</b>			
<b>A. Share Holders' Fund</b>			
Share Capital	1	196245800	178761000
Reserve & Surplus	2	830070816	578012411
<b>B. Loan Funds</b>			
Secured Loans	3	799925222	641622668
Unsecured Loans	4	61334340	1334340
<b>C. Deferred Tax</b>			
		35000000	32500000
<b>Total</b>		<b>1922576178</b>	<b>1432230419</b>
<b>APPLICATION OF FUNDS :</b>			
<b>A. Fixed Assets</b>			
Gross Block	5	608423669	569934672
Less : Depreciation		200158449	176591142
Net Block		408265220	393343530
Add : Capital Work In Progress		–	26770259
<b>Total</b>		<b>408265220</b>	<b>420113789</b>
<b>B. Investments</b>			
	6	152888741	20363435
<b>C. Current Assets, Loans &amp; Advances</b>			
	7		
Inventories		1065292985	864404200
Sundry Debtors		788185995	630586220
Cash & Bank Balances		203573547	123562537
Loans & Advances		177852405	158363330
<b>Total</b>		<b>2234904932</b>	<b>1776916287</b>
Less : Current Liabilities & Provisions	8	877487620	790473299
Net Current Assets		1357417312	986442988
<b>D. Miscellaneous Expenditure (to the extent not written off or adjusted)</b>			
	9	4004905	5310207
Significant Accounting Policies and Notes forming Part of the Accounts	18		
<b>Total</b>		<b>1922576178</b>	<b>1432230419</b>

As per our report of even date attached  
For **A. K. Khabya & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. M. N. G. Pillai**  
Partner  
Membership No. 074051  
Firm Registration No. 001994C  
Place: Bhopal  
Date: 23rd August 2010

**C E Fernandes**  
Chairman & Managing Director

**Bernard John**  
Joint Managing Director

**Sudeep Jain**  
Company Secretary

## Profit and Loss Account for the year ended 31st March 2010

(Amount in Rs.)

Particulars	Schedule	31.03.2010		31.03.2009	
<b>INCOME</b>					
Gross Sales / Income from operations		2696493893		2380388875	
Add :- Other Income		7958868	2704452761	10528790	2390917665
Less : Taxes & Duties			202690581		245487361
Net Sales / Income from operations	10		2501762180		2145430304
Increase / (Decrease) in Stock	17		(79901000)		(15,001000)
			<b>2421861180</b>		<b>2130429304</b>
<b>EXPENDITURE</b>					
Manufacturing & Other Expenses	11		1673817769		1482511062
Employees remuneration & benefits	12		164252776		146255765
Directors' Salary & Remuneration	13		34464803		32924111
Administrative Expenses	14		130459416		121885444
Selling Expenses	15		65641544		43974544
<b>Profit before Depreciation, Interest &amp; Tax</b>			<b>353224872</b>		<b>302878378</b>
Finance Charges	16		120697687		112726703
<b>Profit before Depreciation &amp; Tax</b>			<b>232527185</b>		<b>190151675</b>
Depreciation		23567306		21434792	
Less : Depreciation on Revaluation		3310092	20257214	3310092	18128700
Transfer to Revaluation Reserve					
Deferred Revenue Expenses Written Off			1305302		608152
Less : Prior period adjustments			3100043		388020
<b>Profit Before Tax</b>			<b>207864626</b>		<b>171026803</b>
Provision for Taxation : Income Tax			62500000		64856107
Provision for Taxation : Deferred Income Tax			2500000		1000000
Provision for Taxation : Fringe Benefit Tax			-		1500000
<b>Profit After Tax</b>			<b>142864626</b>		<b>103670696</b>
Add: Brought forward from previous year			209856394		124641168
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>			<b>352721020</b>		<b>228311864</b>
Dividend on Preference Shares			3900000		1500000
Dividend on Equity Shares			17683230		14274580
Corporate Tax on Dividend			3812899		2680890
<b>Surplus Carried to Balance Sheet</b>			<b>327324891</b>		<b>209856394</b>
Basic & Diluted Earning Per Share (Face value of Rs 10 Each)			8.32		7.14
<b>Significant Accounting Policies and notes forming Part of the Accounts</b>	18				

As per our report of even date attached  
For A. K. Khabya & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

CA. M. N. G. Pillai  
Partner  
Membership No. 074051

C E Fernandes  
Chairman & Managing Director

Bernard John  
Joint Managing Director

Sudeep Jain  
Company Secretary

Firm Registration No. 001994C

Place: Bhopal

Date: 23rd August 2010

## Schedules forming part of the Accounts as at 31st March 2010

(Amount in Rs.)

Particulars	31.03.2010		31.03.2009	
<b>Schedule 1 SHARE CAPITAL</b>				
<b>Authorised</b>				
2,00,00,000 Equity Shares of Rs. 10 each		200000000		200000000
30,00,000 (9%)Cumulative Redeemable Preference Shares of Rs 10 each		30000000		30000000
<b>Total</b>		<b>230000000</b>		<b>230000000</b>
<b>Issued Subscribed and Paidup</b>				
166,24,580 Equity Shares of Rs. 10/- each		166245800		142745800
9% Cumulative Redeemable Preference Share of Rs 10 each		30000000		30000000
Warrant Application Money		–		6015200
<b>Total</b>		<b>196245800</b>		<b>178761000</b>
<b>Schedule 2 RESERVES AND SURPLUS</b>				
Share Premium Account		380126910		242226910
Revaluation Reserve				
As per last balance sheet	125929107		129239199	
Less : Transferred from Profit & loss Account	3310092	122619015	3310092	125929107
Profit as per Profit & Loss Account		327324891		209856394
<b>Total</b>		<b>830070816</b>		<b>578012411</b>
<b>Schedule 3 SECURED LOANS</b>				
<b>Working Capital</b>				
From ICICI Bank Ltd.		165930979		168256252
From State Bank of India		126046905		33462190
From IDBI Bank Ltd.		69190308		44689592
From Barclays Bank PLC		66757051		73661206
From Yes Bank Ltd.		60000000		75708786
From Kotak Mahindra Bank Ltd.		115000000		–
<b>Sub Total</b>		<b>602925243</b>		<b>395778026</b>
<b>Term Loans</b>				
From ICICI Bank Ltd.		10885403		26608747
From IDBI Bank Ltd.		100969207		125488725
Hire Purchase Loans		6066286		6865941
L & T Finance Ltd.		49391477		11281229
Madhya Pradesh Financial Corp.		29687606		45600000
Kotak Mahindra Prime Ltd.		–		30000000
<b>Sub Total</b>		<b>196999979</b>		<b>245844642</b>
<b>Total</b>		<b>799925222</b>		<b>641622668</b>

### Notes:

ICICI Bank Ltd, IDBI Bank Ltd, State Bank of India, Yes Bank Ltd. and Barclays Bank PLC are hereinafter collectively referred to as "the ICICI Consortium". It has been agreed by and between the ICICI Consortium and the Company that the primary security for the Working Capital Limits sanctioned by ICICI Consortium will be first charge on the Current Assets of the Company comprising Raw Materials, Components, Stock in Process, Finished Goods, Consumable Stores and Spares, Packing material, at their factory premises, or at such other places as may be permitted by the ICICI Bank Consortium in their discretion from time to time including goods in transit/shipment, book debts, outstanding monies, receivables, claims and bills etc. both present and future, wherever situated. Charges on the Current Assets rank pari passu among the member Banks of the Consortium. The Working Capital Loan is also secured by second charge rank pari passu on all fixed assets of the Company, immovable properties situated on plot no. 1,2,24,24-A, 24-B,25,26,27,28, A sector, Industrial Area, Govindpura, Bhopal.

Mr C E Fernandes, Mrs Everlyn Fernandes and Mr Bernard John, Directors of the Company have personally guaranteed the repayment of loans.

Further the Working Capital Facilities from State Bank of India is also secured by pledge of 6 Lacs Equity Shares of the Company held by Mr. C E Fernandes, Mrs Everlyn Fernandes, Ms Irene Valentine and Ms Rachel Fernandes.

## Schedules forming part of the Accounts as at 31st March 2010

### Schedule 3 SECURED LOANS (CONTD.)

Term Loan from ICICI Bank Ltd, are secured by way of first charge on equitable mortgage of immovable properties situated on plot no. 1,2,24,24-A, 24-B,25,26,27 and 28, A sector, Industrial Area, Govindpura, Bhopal and hypothecation of all the Fixed Assets of the Company situated thereon. The charge operates ranking pari-passu with the charges created / to be created in favour of the Company's Term Loan Lenders viz IDBI Bank Ltd for Term Loan granted by them to the Company / to be granted by them in future under the loan agreement and Madhya Pradesh Financial Corporation for their Working Capital Term Loan. The loan is also secured by way of second charge on entire current assets of the Company, ranking pari-passu with Term Loan Lenders. Mr.C E Fernandes, Mrs. Everlyn Fernandes & Mr Bernard John, Directors of the Company have personally guaranteed the repayment of loans.

Further the above loan from ICICI Bank Ltd is also secured by pledge of 1 Lac Equity Shares of the Company held by Mr. C E Fernandes

Corporate Loan of Rs 500 lacs, Term Loan of Rs.1000 lacs and Funded Interest Term Loan along with the interest accrued and funded from IDBI are secured by equitable mortgage of immovable properties situated on plot no. 1,2,24,24-A,24-B,25,26,27 and 28, A sector Industrial Area, Govindpura, Bhopal and hypothecation of all the fixed assets of the Company. The charge operates as first charge ranking pari-passu with the charges created / to be created in favour of the Company's Bankers viz ICICI Bank Ltd for term loan and Working Capital facilities granted by them to the Company / to be granted by them in future under the loan agreement and Madhya Pradesh Financial Corporation for their Working Capital Term Loan. Mr.C E Fernandes, Mr.P.L. Mundhra & Mrs. Everlyn Fernandes Directors of the Company have personally guaranteed the repayment of loans.

Further both the above loans from IDBI Bank Ltd are also secured by pledge of 13 lac Equity Shares of the Company held by Mr. C E Fernandes, Mrs. Everlyn Fernandes and Mr. P L Mundhra.

Working Capital Term Loan from Madhya Pradesh Financial Corporation, Indore is secured by equitable mortgage of immovable properties situated on Plot No. 1, 2, 24, 24-A, 24-B, 25, 26, 27 and 28, A Sector, Industrial Area, Govindpura, Bhopal and hypothecation of all the fixed assets of the Company situated thereon. The charge operates as first charge ranking pari-passu with the charges created in favour of IDBI Bank Ltd for their term loans and funded interest and ICICI Bank Ltd for their Working Capital Term Loan, Term Loan and funded interest and Mr. C E Fernandes, Mr. P L Mundhra, Mrs Everlyn Fernandes and Mr. Bernard John, Directors of the Company have personally guaranteed the repayment of loans. The above loan is collaterally secured by the entire fixed assets of the GEI Foods Limited.

Hire Purchase Loan from Finance Companies are secured by the assets financed.

Loans from L&T Finance Ltd. are secured by the assets financed.

(Amount in Rs.)

Particulars	31.03.2010	31.03.2009
Schedule 4 UNSECURED LOANS		
From ICD & Others	61334340	1334340
<b>Total</b>	<b>61334340</b>	<b>1334340</b>

### Schedule 5 FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 01.04.09	Addition	Transfer	As on 31.03.10	Upto 01.04.09	During the Year	Transfer	Total	As on 31.03.10	As on 31.03.09
Lease Hold Land	69096000			69096000					69096000	69096000
Building	125955811	27203730		153159541	42390483	4430964		46821447	106338094	83565328
Machinery	221291423	1766429		223057852	59565335	10517866		70083201	152974651	161726088
Auxiliary Equipment	73911015	1878509		75789524	29408592	3216755		32625347	43164177	44502423
Electrical Installation	6880850			6880850	3912399	308388		4220787	2660063	2968451
Pattern	401897			401897	274294	6363		280657	121240	127603
Furniture	6963021	740688		7703709	4561218	433944		4995162	2708547	2401803
Office Equipment	9074941	1006073		10081014	4206688	411783		4618471	5462543	4868253
Computer	22840516	2846900		25687416	17648955	1320918		18969873	6717543	5191561
Vehicles	17267606	2176150		19443756	6656406	1278972		7935378	11508378	10611200
Intangible Assets	10805836			10805836	6006499	1080583		7087082	3718754	4799337
Software	5445756	870518		6316274	1960274	560770		2521044	3795230	3485482
<b>Total</b>	<b>569934672</b>	<b>38488997</b>	<b>0</b>	<b>608423669</b>	<b>176591143</b>	<b>23567306</b>	<b>0</b>	<b>200158449</b>	<b>408265220</b>	<b>393343529</b>
Less: Against Revaluation						3310092				
<b>Grand Total</b>	<b>569934672</b>	<b>38488997</b>	<b>0</b>	<b>608423669</b>		<b>20257214</b>		<b>200158449</b>	<b>408265220</b>	
Previous Year	534687905	35246767		569934672	155152350	21438792		176591142	393343529	

## Schedules forming part of the Accounts as at 31st March 2010

(Amount in Rs.)

Particulars	31.03.2010	31.03.2009
<b>Schedule 6 INVESTMENTS</b>		
<b>Unquoted</b>		
In GEI POWER LIMITED	149991425	20000000
(4,00,000 Unquoted Equity shares of Rs 10 each at premium of Rs 40 per share)		
(18,43,850 Unquoted Equity shares of Rs 10 each at premium of Rs 60.50 per share)		
<b>Quoted</b>		
Shares	263435	263435
Market value of shares as on 31.03.10 Rs 291225		
Mutual Fund	2600000	100000
Gold	33881	–
<b>Total</b>	<b>152888741</b>	<b>20363435</b>

## Schedule 7 CURRENT ASSETS, LOANS AND ADVANCES

<b>A. INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Stores, Spares and Consumables (at Cost)	225000	475000
Raw Materials (at cost)	53547985	155708200
Work in Process	8320000	88221000
Project related WIP	1003200000	620000000
<b>Total "A"</b>	<b>1065292985</b>	<b>864404200</b>
<b>B. SUNDRY DEBTORS</b>		
Outstanding for a period, exceeding Six Months, Good	31386506	30579028
Others Good	756799489	600007192
<b>Total "B"</b>	<b>788185995</b>	<b>630586220</b>
<b>C. CASH &amp; BANK BALANCES</b>		
Cash in Hand	117916	281311
With Schedule Banks		
a) Current Accounts	63126888	11621413
b) Fixed Deposits Account	131921626	105756183
(Lodged with Banks towards the Margin Money for Bank Guarantees and Letters of Credit)		
c) Interest Accrued on FDR'S	8407117	5903630
<b>Total "C"</b>	<b>203573547</b>	<b>123562537</b>
<b>D. LOANS &amp; ADVANCES</b>		
(Unsecured considered Good)		
Advance recoverable in Cash or in kind/or for value to be received	121698093	93448698
Advance Income Tax paid	21094290	19789383
Advance Fringe Benefit Tax Paid	–	500000
Deposits with Govt. and Pvt. Agencies	35060022	44625249
<b>Total "D"</b>	<b>177852405</b>	<b>158363330</b>
<b>GRAND TOTAL (A + B + C + D)</b>	<b>2234904932</b>	<b>1776916287</b>



## Schedules forming part of the Accounts as at 31st March 2010

(Amount in Rs.)

Particulars	31.03.2010		31.03.2009	
<b>Schedule 8 CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>Current Liabilities</b>				
Sundry Creditors :				
For Suppliers				
Under Letters of Credit	188908877	–	241334999	
Direct Creditors	200483557	389392434	76681387	318016386
Outstanding to Small Scale Industrial Undertaking		1032083		2473015
For Expenses & Others		118952532		124385447
Advance received from Customers		302401000		279506474
Sales Tax Payable		–		4411087
Income Tax / Corporate Tax payable		65709571		60180890
Fringe Benefit Tax Payable		–		1500000
<b>Total</b>		<b>877487620</b>		<b>790473299</b>

### Schedule 9 MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Deffered Revenue Expenses		4004905		5310207
<b>Total</b>		<b>4004905</b>		<b>5310207</b>

### Schedule 10 NET SALES / INCOME FROM OPERATIONS

Net Sales Domestic	414713508		1043468307	
Net Sales Export	9233479		59292580	
Project Revenue	2009940681	2433887668	946969463	2049730350
Add: Excise Duty	146574269		177288906	
Sales Tax	56116312	202690581	68198455	24548736
Gross Sales		2636578249		2295217711
Erection Charges		48987991		38527539
Professional & Technical Services Income		–		27593263
Packing & Forwarding		–		112256
Freight Charges		10927653		18938106
<b>Sub Total</b>		<b>2696493893</b>		<b>2380388875</b>
Less: Excise Duty	146574269		177288906	
Sales Tax	56116312	202690581	68198455	245487361
<b>Sub Total</b>		<b>2493803312</b>		<b>2134901514</b>
<b>Other Income</b>				
Interest Received	7882268		6449255	
Misc. Income	76600	7958868	4079535	10528790
<b>Total</b>		<b>2501762180</b>		<b>2145430304</b>

### Schedule 11 MANUFACTURING & OTHER EXPENSES

Raw Material Consumed		1481856111		1304258328
Stores Consumed		40874084		42048400
Freight Charges		40610613		39755075
Power & Fuel		12581056		13475800
Fabrication Charges		21148004		26189533
Erection Charges		61808333		39366212
Other Manufacturing Expenses		14939568		17417714
<b>Total</b>		<b>1673817769</b>		<b>1482511062</b>

## Schedules forming part of the Accounts as at 31st March 2010

(Amount in Rs.)

Particulars	31.03.2010	31.03.2009
<b>Schedule 12 EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Wages	51820361	57504539
Salary	50655530	33268129
Other Benefits	61776885	55483097
<b>Total</b>	<b>164252776</b>	<b>146255765</b>
<b>Schedule 13 DIRECTORS' REMUNERATION &amp; BENEFITS</b>		
Salary	30508000	29700000
Other Benefits	1696803	1385611
Contribution to Provident fund	756000	756000
Commission to Non Executive Directors	1400000	962500
Director Sitting Fee	104000	120000
<b>Total</b>	<b>34464803</b>	<b>32924111</b>
<b>Schedule 14 ADMINISTRATIVE EXPENSES</b>		
Bank Charges	38495898	37284316
Travelling Expenses	23180617	21830927
Conveyance & Transport expenses	591521	1066435
Repair Maintenance expenses	5326826	3502521
Telephone Charges	2937521	3373721
Rent Other Premises	277275	974450
Consultancy Charges	32383153	26632784
Other Expenses	17307056	15740943
Printing & Stationary	2712629	2489511
Office Expenses	5119931	6731034
Insurance Premium	2126989	2258802
<b>Total</b>	<b>130459416</b>	<b>121885444</b>
<b>Schedule 15 SELLING EXPENSES</b>		
Advertisement	1957644	1009755
Commission	12210914	2607291
Freight Charges	24073700	26383010
Other Selling Expenses	27399286	13974488
<b>Total</b>	<b>65641544</b>	<b>43974544</b>
<b>Schedule 16 FINANCE CHARGES</b>		
Interest Charges:		
Creditors & Others	1089605	277645
Financial Charges	339860	763263
Banks / Financial Institutions	108896244	86324281
Discounting charges	10371978	25361514
<b>Total</b>	<b>120697687</b>	<b>112726703</b>
<b>Schedule 17 INCREASE (+) / (DECREASE) (-) IN STOCK</b>		
<b>Closing Stock</b>		
Work In Process	8320000	88221000
Finished Goods	-	-
<b>Opening Stock</b>		
Work In Process	88221000	103222000
Finished Goods	-	-
<b>Total</b>	<b>(79901000)</b>	<b>(15001000)</b>

## Notes forming part of the Accounts for the year ended 31st March 2010

### Schedule 18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

#### A. Significant Accounting Policies followed by the Company

##### a. Accounting Conventions

- i) The accounts are prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- ii) The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

##### b. Sales

The revenue from :

- i) Sales of Goods are recognised at the point of despatch of finished goods to the customers.
- ii) Project related activity and contracts are recognised by applying percentage completion to the contract value determined as a proportion of the cost incurred –to- date to the total estimated cost.
- iii) The export sales are converted at the exchange rate prevailing at the time of transaction.

##### c. Foreign Currency Transaction

- i) Transactions in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transactions.
- ii) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit & loss account except in the case of capital expenditure where they are adjusted against the cost of relevant assets.

##### d. Employee Benefits

###### i) Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.

###### ii) Post employment benefits (defined benefit plans)

The employees' gratuity scheme is defined benefit plan. The Gratuity liability in respect of the employees of the Company has been covered through LIC Policy. The premium paid for such policy is treated as revenue expenditure.

###### iii) Post employment benefits (defined contribution plans)

Contribution to the Provident Fund is made in accordance with the provisions of the Provident Fund Act, 1952 and is charged to revenue account.

###### iv) Long term employee benefits

Long term employee benefits comprise of Leave Encashment. Leave balances in respect of all employees as on 31st March 2010 have been accounted on the basis of last salary drawn by the employee and charged to revenue account.

##### e. Fixed Assets

Fixed Assets are stated at historical cost less depreciation.

The gross block of Fixed Assets includes Rs 13,25,49,291/- on account of revaluation of Fixed Assets consequent to the said revaluation there is an additional charge of depreciation of Rs 3310092 /- and an equivalent amount has been withdrawn from Revaluation Reserve and credited to the Profit & loss Account.

##### f. Depreciation

- i) Depreciation on fixed Assets has been provided on straight line method in accordance with the provisions of section 205 (2) (b) of the Companies Act, 1956 at the rate and in manner specified in schedule XIV to the Companies Act, 1956.
- ii) Depreciation of intangible assets and software is provided @ 10% on straight-line method and is amortized over a period of 10 years.

##### g. Investments

Long term investments are stated at cost.

##### h. Inventories

Raw materials, stores, spares and consumables are valued at cost. Semi-finished goods are valued at cost of Raw Material and the cost incurred in the normal course of business in bringing the goods upto the present condition on estimate basis or at realisable value, which ever is lower. Finished goods are valued at selling price.

## Notes forming part of the Accounts for the year ended 31st March 2010

### Schedule 18 NOTES FORMING PART OF THE ACCOUNTS (CONTD.)

#### Work-in-progress

Project and construction related work-in-progress at percentage of job completed and at realizable value thereafter.

#### i. Deferred Revenue Expenses

Deferred Revenue Expenditure is to be amortised over a period of 5 years, commencing from the year next to the year of expenditure except in cases mentioned otherwise in the notes on accounts.

Market study expenses to explore feasibility of Engineering Services Export and development expenses of LP heaters have been treated as deferred revenue expenditure which is to be amortized over a period of 5 Years.

### B. Notes on Accounts

- The Company operates in Two Business Segment of "Manufacturing of Air Cooled Heat Exchanger and Fin Tubes" and "Power Transmission Project". The Company manufactures the products on tender basis and supplies its products to only those customers from whom the Company receives confirmed orders.

#### Segment Reporting

As per Para 27 of AS17 (segment reporting) a reportable segment is identified if its revenue from sale is 10% or more of the total revenue of all the segments results, whether profit or loss is 10% or more of the combined result of all segments in profit or combined result of all segments in loss. Accordingly the power segment which constitute 2.07% of total revenue, is not reported as a separate segment

#### 2. Earning per share

(Amount in Rs.)

Particulars	2009-2010	2008-2009
a) Net Profit as per Profit & Loss A/C	142864626	103670696
b) Weighted average number of Equity shares used as denominator for calculating Earning Per Share	16624580	14274580
c) Basic and diluted Earnings Per Share of face value of Rs 10 each.	8.32	7.14

#### 3. Disclosure pursuant to Accounting Standard AS 7

i) Contract revenue recognized under Dispatch Method	Rs	1155395681
ii) Contract revenue recognized using percentage completion method for the year ended March 31, 2010	Rs	854545000
<b>Total</b>	<b>Rs</b>	<b>2009940681</b>
iii) Amount of customer advances outstanding for contracts in progress as at March 31, 2010	Rs	302401000

#### 4. Contingent Liabilities

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value as under :

i) Guarantees and/or counter guarantees given by Banks	Rs	790128000
ii) Corporate Guarantee given for M/s GEI POWER LIMITED	Rs	206000000

#### 5. Related Party disclosure

Related party Disclosures as required by AS-18."Related Party Disclosures" are given below:

i) Key Management Personnel (KMP)	Mr C E Fernandes
	Mr Bernard John
	Mr P.L.Mundhra
	Mrs Everlyn Fernandes
	Mr D.Laxminarayan
	Ms Irene Valentine

## Notes forming part of the Accounts for the year ended 31st March 2010

### Schedule 18 NOTES FORMING PART OF THE ACCOUNTS (CONTD.)

ii) The following Transactions were carried out with the related parties in the ordinary course of business

Particulars	Managerial Remuneration	Amount Paid for Material /Services /Other Expenses	Advance Paid	Deposit Paid Against Rent	Investment in Share during the year	(Amount in Rs.)
						Outstanding Receivables (Payables) as at 31.03.2010
Vemaa Industries Limited #	Nil	22235701	Nil	Nil	Nil	3821134
JBL Engg.Pvt Ltd #	Nil	Nil	800000	Nil	Nil	5806324
GEI Power Limited # *	Nil	186262705	Nil	Nil	129991425	(146961072)
Irene Valentine (Prof. Services)	Nil	2727775	Nil	Nil	Nil	Nil
Key Management Personnel	32960803	Nil	Nil	Nil	Nil	Nil

# Parties in which one or more of the Key Management Personnel (KMP) are interested.

\* The Company has invested in shares of GEI Power Limited in accordance with the resolution passed by the Board of Directors on 27.12.2007 and 14.07.2009.

#### 6. Managerial Remuneration

Schedule 13 - Remuneration paid to Mr. Bernard John – Joint Managing Director, Mrs. Everlyn Fernandes - Whole Time Director and Mr. D. Laxminarayan – Executive Director to the extent indicated therein, has been approved by the shareholders in the Annual General Meeting held on 29th September 2008 and the Company has got the approval of the Central Government. In the case of Mr. C E Fernandes the Central Government letter has not quantified the remuneration and hence, the Company is seeking review/quantification of the remuneration as applied for.

Computation of Managerial Remuneration		(Rs. in lacs)
Profit before tax		2078.65
<b>Add:</b>		
1. Depreciation		202.57
2. Directors' remuneration (excluding provision for gratuity and leave encashment as separate actuarial valuations for the Managing Directors are not available)		321.51
3. Commission to Non-Executive Directors		14.00
3. Directors Fees		1.04
4. Provision for doubtful debts (net)		0
5. Net loss on sale of fixed asset as per Profit and loss Account		0
<b>Less :</b>		
1. Depreciation under section 350		202.57
2. Net loss on sale of fixed asset under section 349		0
3. Capital Profit on sale of fixed asset		0
Net Profit for section 198 of the Companies Act, 1956		2415.20
10% of Net Profit(Maximum Managerial remuneration payable as per act)		241.52
Managerial remuneration paid/provided during the year		321.51
Excess managerial remuneration which is subject to approval of the Central Government		79.99

## Notes forming part of the Accounts for the year ended 31st March 2010

### Schedule 18 NOTES FORMING PART OF THE ACCOUNTS (CONTD.)

#### 7. Payment to Auditors

(Amount in Rs.)

Particulars	31.03.2010	31.03.2009
Audit Fee	200000	150000
Tax Audit Fee	50000	25000
Certification Charges/Service Tax	233729	217156
<b>Total</b>	<b>483729</b>	<b>392156</b>

#### 8. The information as required by para 3 & 4 of part II of Schedule VI to the Companies Act, 1956.

##### A) Installed Capacity and Production

(Amount in Rs.)

Sl. No.	Particulars	Unit	Installed Capacity*		Actual Production *	
			31.03.2010	31.03.2009	31.03.2010	31.03.2009
1.	Heat Exchangers	MT	12500	9000	10650	7950
2.	Finned Tubes	R.Mtrs	4920000	4920000	2244780	1748562
	a) For captive consumption				2208590	1660474
	b) For sales				36190	88088

\* Installed capacity and Production quantities have been certified by the management and not verified by the auditors, being technical matters.

(Amount in Rs.)

Sl. No.	Particulars	Unit	Quantity	Value	Quantity	Value
			31.03.2010	31.03.2010	31.03.2009	31.03.2009
<b>B) Opening Stock of Finished Goods</b>						
1.	Heat Exchangers	MT	Nil	Nil	Nil	Nil
2.	Finned Tubes	Mtrs	Nil	Nil	Nil	Nil
3.	Others	-	Nil	Nil	Nil	Nil
<b>C) Closing Stock of Finished Goods</b>						
1.	Heat Exchangers	MT	Nil	Nil	Nil	Nil
2.	Finned Tubes	Mtrs	Nil	Nil	Nil	Nil
3.	Others	-	Nil	Nil	Nil	Nil
<b>D) Turnover</b>						
1.	Heat Exchangers	MT	10650	2374748963	7950	1955570868
2.	Finned Tubes	Mtrs	36190	13606106	88088	31571821
3.	Power Transmission			45239469		62381084
	Others	-		293130		206577
	<b>Total</b>			<b>2433887668</b>		<b>2049730350</b>
<b>E) Raw Materials and Intermediate Consumed</b>						
1.	Aluminum Strips/Tubes	Kg	2556931	349744100	2311706	337627483
2.	MS Plates /Sheets /Angles	Kg	9131782	330994958	8770169	317015262
3.	Steel Tubes	Mtrs	2254483	188345116	2018265	221302844
4.	S.S/Brass Plates	Kg	13886	5007416	45089	14540326
5.	Other Misc. items			607764521		413772413
	<b>Total</b>			<b>1481856111</b>		<b>1304258328</b>

## Notes forming part of the Accounts for the year ended 31st March 2010

### Schedule 18 NOTES FORMING PART OF THE ACCOUNTS (CONTD.)

(Amount in Rs.)

Sl. No.	Particulars	2009-2010		2008-2009	
		Imported	Indigenous	Imported	Indigenous
<b>F)</b>	<b>Value of Raw Materials, Stores &amp; Spares Consumed during the year</b>				
1.	Raw Materials	66892636	1414963475	151138426	1153119902
	Percentage	4.51%	95.49%	11.59%	88.41%
2.	Stores & Spares	9810724	19782022	510004	36308324
	Percentage	33.15%	66.85%	1.39%	98.61%
3.	Oil & Lubricants	3786015	8629402	1116118	4113954
	Percentage	30.49%	69.51%	21.34%	78.66%
4.	Repair & Maint Machinery			986192	2936756
	Percentage			25.14%	74.86%
<b>G)</b>	<b>CIF Value of Imports</b>				
1.	Raw Materials	66892636		151138426	
2.	Stores & Spares	9810724		510004	
3.	Oil & Lubricants	3786015		1116118	
4.	Repair & Maint Machinery			986192	
5.	Machinery			3178494	
<b>H)</b>	<b>Expenditure in Foreign Currency</b>				
1.	Travelling		3528854		
2.	Commission		11560562		
3.	Consultancy		6227775		
<b>I)</b>	<b>Earnings in Foreign Currency</b>				
	Export of goods value		150622584		

9. Previous year's figures have been regrouped/rearranged wherever necessary to conform to the current years' classification.

As per our report of even date attached  
For **A. K. Khabya & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. M. N. G. Pillai**  
Partner  
Membership No. 074051

**C E Fernandes**  
Chairman & Managing Director

**Bernard John**  
Joint Managing Director

**Sudeep Jain**  
Company Secretary

Firm Registration No. 001994C

Place: Bhopal

Date: 23rd August 2010

## Cash Flow Statement for the year ended 31st March 2010

STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

(Amount in Rs.)

Particulars	2009-2010	2008-2009
Net Profit after tax & extra-ordinary items	142864626.00	103670696.00
<b>Adjustment for :</b>		
Depreciation	20257214.00	18128700.00
Interest Paid	120697687.00	112726703.00
Interest earned	(7882268.00)	(6449255.00)
Profit on sale of Investment	-	-
Miscellaneous Expenses W/o	1305302.00	608152.00
Loss on sale of Fixed Assets	-	-
<b>Operating Profit before Working Capital Charges</b>	<b>277242561.00</b>	<b>228684996.00</b>
<b>Adjustment for :</b>		
Trade and other receivables	(177088850.00)	(71370423.00)
Inventories	(200888785.00)	(357766600.00)
Trade Payables	87014320.00	243898324.00
Cash generated from operations	(13720754.00)	43446297.00
Direct Taxes Paid	(3812899.00)	(2680890.00)
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>(17533653.00)</b>	<b>40765407.00</b>
<b>Cash flow from Investment Activities</b>		
Purchase of Fixed Assets	(11718738.00)	(62017027.00)
Sale of Fixed Assets	-	-
Purchase of Investments	(132525304.00)	(7455636.00)
Advance for Fixed Assets	-	-
<b>NET CASH USED IN INVESTMENT ACTIVITIES [B]</b>	<b>(144244042.00)</b>	<b>(69472663.00)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from issue of Share Capital including Share Premium	155384800.00	5265000.00
Deffered Revenue Expenses	-	(3485750.00)
Dividend Paid	(21583230.00)	(15774580.00)
Borrowals - Cash Credit	207147217.00	182957415.00
Repayment of Borrowals	11155337.00	14296531.00
Deferred Liabilities	2500000.00	1000000.00
Deposits	-	-
Interest Paid	(120697687.00)	(112726703.00)
Interest Received	7882268.00	6449255.00
<b>NET CASH USED IN FINANCE ACTIVITIES [C]</b>	<b>241788705.00</b>	<b>77981168.00</b>
Net Increase in cash and cash equivalents (A + B + C)	80011010.00	49273912.00
Cash and cash equivalents (Opening)	123562537.00	74288625.00
Cash and cash equivalents (Closing)	203573547.00	123562537.00
	<b>80011010.00</b>	<b>49273912.00</b>

As per our report of even date attached  
For **A. K. Khabya & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. M. N. G. Pillai**  
Partner  
Membership No. 074051  
Firm Registration No. 001994C  
Place: Bhopal  
Date: 23rd August 2010  
38 ■ GEI Industrial Systems Ltd

**C E Fernandes**  
Chairman & Managing Director

**Bernard John**  
Joint Managing Director

**Sudeep Jain**  
Company Secretary



**Information as per part IV of Schedule VI to Companies Act, 1956** for the year ended 31st March 2010

<b>i) Registration Details</b>	
Registration No	: L28112MP1993PLC008029
State Code	: 10
Balance Sheet date	: 31.03.2010
<b>ii) Capital raised during the year (Rs in Thousand)</b>	
Public Issue	: Nil
Right Issue	: Nil
Bonus Issue	: Nil
Private Placement/Warrant Application Money	: 156135
<b>iii) Position of Mobilisation &amp; Deployment of Funds (Rs in Thousand)</b>	
Total Liabilities	: 1922576
Total Assets	: 1922576
<b>Sources of Funds :</b>	
Paid up Capital	: 196246
Reserve & Surplus	: 830071
Secured Loan	: 799925
Unsecured Loan	: 61334
Deferred Tax	: 35000
<b>Application of Funds:</b>	
Net Fixed Assets	: 408265
Investment	: 152889
Net Current Assets	: 1357417
Miscellaneous Expenditure	: 4005
<b>iv) Performance of Company:</b>	
Gross Turnover	: 2704453
Net Turnover	: 2421861
Total Expenditure	: 2213996
Profit before Tax	: 207865
Profit after Tax	: 142865
Earning per Share (Rs.)	: 8.32
Dividend rate	: 10%
<b>v) Generic Name of three Principal Products/ Services of Company:</b>	
Item Code No. (ITC Code)	: 841950.90
Product description	: AIR COOLED HEAT EXCHANGER
Item Code No. (ITC Code)	: 841990.90
Product description	: FINNED TUBES

As per our report of even date attached  
For **A. K. Khabya & Co.**  
*Chartered Accountants*

For and on behalf of the Board of Directors

**CA. M. N. G. Pillai**  
*Partner*  
Membership No. 074051  
Firm Registration No. 001994C  
Place: Bhopal  
Date: 23rd August 2010

**C E Fernandes**  
*Chairman & Managing Director*

**Bernard John**  
*Joint Managing Director*

**Sudeep Jain**  
*Company Secretary*

## Consolidated Balance Sheet as at 31st March 2010

(Amount in Rs.)

Particulars	Schedule	31.03.2010
<b>SOURCES OF FUNDS:</b>		
<b>A. Share Holders' Fund</b>		
Share Capital	1	196245800
Reserve & Surplus	2	846542652
<b>B. Loan Funds</b>		
Secured Loans	3	976118346
Unsecured Loans	4	161334340
<b>C. Deferred Tax</b>		
		35000000
<b>Total</b>		<b>2215241138</b>
<b>APPLICATION OF FUNDS:</b>		
<b>A. Fixed Assets</b>		
Gross Block	5	770054421
Less : Depreciation		204300644
Net Block		565753777
Add : Capital Work In Progress		3654129
<b>Total</b>		<b>569407906</b>
<b>B. Investments</b>		
	6	2897316
<b>C. Goodwill arising on Consolidation</b>		
		101161337
<b>D. Current Assets, Loans &amp; Advances</b>		
	7	
Inventories		1128434300
Sundry Debtors		788185995
Cash & Bank Balances		221597238
Loans & Advances		216345171
<b>Total</b>		<b>2354562704</b>
Less : Current Liabilities & Provisions	8	816793030
Net Current Assets		1537769674
<b>E. Miscellaneous Expenditure (to the extent not written off or adjusted)</b>		
	9	4004905
Significant Accounting Policies and notes forming Part of the Accounts	18	
<b>Total</b>		<b>2215241138</b>

As per our report of even date attached  
For **A. K. Khabya & Co.**  
*Chartered Accountants*

For and on behalf of the Board of Directors

**CA. M. N. G. Pillai**  
*Partner*  
Membership No. 074051  
Firm Registration No. 001994C  
Place: Bhopal  
Date: 23rd August 2010

**C E Fernandes**  
*Chairman & Managing Director*

**Bernard John**  
*Joint Managing Director*

**Sudeep Jain**  
*Company Secretary*

## Consolidated Profit and Loss Account for the year ended 31st March 2010

(Amount in Rs.)

Particulars	Schedule	31.03.2010	
<b>INCOME</b>			
Gross Sales / Income from Operations		2696493893	
Add : Other Income		22923665	2719417558
Less : Taxes & Duties			202690581
Net Sales / Income from Operations	10		2516726977
Increase / (Decrease) in Stock	17		(49849378)
			<b>2466877599</b>
<b>EXPENDITURE</b>			
Manufacturing & Other Expenses	11		1660790063
Employees Remuneration & Benefits	12		171001306
Director Salary & Remuneration	13		34464803
Administrative Expenses	14		139467457
Selling Expenses	15		65641544
<b>Profit before Depreciation, Interest &amp; Tax</b>			<b>395512426</b>
Finance Charges	16		141089369
<b>Profit before Depreciation &amp; Tax</b>			<b>254423057</b>
Depreciation		27658821	
Less: Depreciation on Revaluation Transfer to Revaluation Reserve		3310092	24348729
Deferred Revenue Expenses Written Off			1596461
Less: Prior period adjustments			3100043
<b>Profit Before Tax</b>			<b>225377823</b>
Provision for Taxation : Income Tax			65332520
Provision for Taxation : Deferred Income Tax			2500000
<b>Profit after Tax for the year</b>			<b>157545304</b>
Add: Brought forward from previous Year			209412616
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>			<b>366957920</b>
Dividend on Preference Shares			3900000
Dividend on Equity Shares			17683230
Corporate Tax on Dividend			3812899
<b>Surplus Carried to Balance Sheet</b>			<b>341561791</b>
Basic & Diluted Earning Per Share (Face value of Rs 10 Each)			9.20
Significant Accounting Policies and notes forming Part of The Accounts	18		

As per our report of even date attached  
For **A. K. Khabya & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. M. N. G. Pillai**  
Partner  
Membership No. 074051  
Firm Registration No. 001994C  
Place: Bhopal  
Date: 23rd August 2010

**C E Fernandes**  
Chairman & Managing Director

**Bernard John**  
Joint Managing Director

**Sudeep Jain**  
Company Secretary

## Schedules forming part of the Consolidated Accounts as at 31st March 2010 (Amount in Rs.)

Particulars	31.03.2010
<b>Schedule 1 SHARE CAPITAL</b>	
<b>Authorised</b>	
2,00,00,000 Equity Shares of Rs. 10 each	200000000
30,00,000 (9%) Cumulative Redeemable Preference Shares of Rs 10 each	30000000
<b>Total</b>	<b>230000000</b>
<b>Issued subscribed and paidup</b>	
1,66,24,580 Equity Shares of Rs. 10 each	166245800
9% Cumulative Redeemable Preference Share of Rs 10 each	30000000
<b>Total</b>	<b>196245800</b>

<b>Schedule 2 RESERVES AND SURPLUS</b>		
Share Premium Account		380126910
Capital Reserve		1500000
Revaluation Reserve		
As per last balance sheet	125929107	
Less : Transferred from Profit & Loss Account	3310092	122619015
Profit as per Profit & Loss Account	341561791	
Add: Prior period loss & preliminary expenses of subsidiary - written off	734936	342296727
<b>Total</b>		<b>846542652</b>

<b>Schedule 3 SECURED LOANS*</b>		
<b>Working Capital</b>		
From ICICI Bank Ltd.		165930979
From State Bank of India		126046905
From IDBI Bank Ltd.		115383128
From Barclays Bank PLC		66757051
From Yes Bank Ltd.		60000000
From Kotak Mahindra Bank Ltd.		115000000
<b>Sub Total</b>		<b>649118063</b>
<b>Term Loan</b>		
From ICICI Bank Ltd.		10885403
From IDBI Bank Ltd.		140469207
Hire Purchase Loan		6500867
L & T Finance Ltd		49391477
Madhya Pradesh Financial Corporation		119753329
<b>Sub Total</b>		<b>327000283</b>
<b>Total</b>		<b>976118346</b>

\* Securities as disclosed in respective stand-alone accounts

## Schedules forming part of the Consolidated Accounts as at 31st March 2010

(Amount in Rs.)

Particulars	31.03.2010
Schedule <b>4</b> UNSECURED LOANS	
From ICD & Others	161334340
<b>Total</b>	<b>161334340</b>

### Schedule **5** FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on 01.04.09	Addition	Transfer	As on 31.03.10	Upto 01.04.09	During the Year	Transfer	Total	As on 31.03.10
Lease Hold Land	93233035	2793953	0	96026988	0	0	0	0	96026988
Building	183584518	33524500	0	217109018	42416850	6380978	0	48797828	168311190
Machinery	256431364	29747521	0	286178885	59588200	12532374	0	72120574	214058311
Auxiliary Equipment	73911015	1878509	0	75789524	29408592	3216755	0	32625347	43164177
Electrical Installation	9108155	3541592	0	12649747	3913847	433323	0	4347170	8302577
Pattern	401897	0	0	401897	274294	6363	0	280657	121240
Furniture	6963471	831267	0	7794738	4561218	434830	0	4996048	2798690
Office Equipment	9081741	1531920	0	10613661	4206688	412446	0	4619134	5994527
Computer	22840516	3222894	0	26063410	17648955	1321427	0	18970382	7093028
Vehicles	17267606	3036837	0	20304443	6656406	1278972	0	7935378	12369065
Intangible Assets	10805836	0	0	10805836	6006499	1080583	0	7087082	37187547
Software	5445756	870518	0	6316274	1960274	560770	0	2521044	3795230
<b>Total</b>	<b>689074910</b>	<b>80979511</b>	<b>0</b>	<b>770054421</b>	<b>176641823</b>	<b>27658821</b>	<b>0</b>	<b>204300644</b>	<b>565753777</b>
Less : Against Revaluation						3310092			
<b>Grand Total</b>	<b>689074910</b>	<b>80979511</b>	<b>0</b>	<b>770054421</b>		<b>24348729</b>		<b>204300644</b>	<b>565753777</b>

Particulars	31.03.2010
Schedule <b>6</b> INVESTMENTS	
<b>Quoted</b>	
Shares	263435
(Market value of shares as on 31.03.10 Rs. 291225)	
Mutual Fund	2600000
Gold	33881
<b>Total</b>	<b>2897316</b>

## Schedules forming part of the Consolidated Accounts as at 31st March 2010

(Amount in Rs.)

Particulars	31.03.2010
<b>Schedule 7 CURRENT ASSETS, LOANS AND ADVANCES</b>	
<b>A. INVENTORIES</b>	
(As taken, valued and certified by the Management)	
Stores, Spares and Consumables (at cost)	225000
Raw Materials (at cost)	85805679
Work in Process	39203621
Project related WIP	1003200000
<b>Total "A"</b>	<b>1128434300</b>
<b>B. SUNDRY DEBTORS</b>	
Outstanding for a period, exceeding Six Months, Good	31386506
Others Good	756799489
<b>Total "B"</b>	<b>788185995</b>
<b>C. CASH &amp; BANK BALANCES</b>	
Cash in Hand	133333
With Schedule Banks	
a) Current Accounts	70983286
b) Fixed Deposits Account (Lodged with Bank towards the Margin Money for Bank Guarantee and Letter of Credit)	141921626
c) Interest Accrued on FDR'S	8558993
<b>Total "C"</b>	<b>221597238</b>
<b>D. LOANS &amp; ADVANCES (Unsecured considered Good)</b>	
Advance recoverable in Cash or in kind/or for value to be received	157849865
Advance Income Tax paid	21094290
Deposits with Govt. and Pvt. Agencies	37401016
<b>Total "D"</b>	<b>216345171</b>
<b>GRAND TOTAL (A + B + C + D)</b>	<b>2354562704</b>

## Schedule 8 CURRENT LIABILITIES & PROVISIONS

<b>CURRENT LIABILITIES</b>		
Sundry Creditors :		
For Suppliers		
Under Letters of Credit	228875485	
Direct Creditors	62906758	291782243
Outstanding to Small Scale Industrial Undertaking		1032083
For Expenses & Others		132269866
For Capital Expenditure		9312094
Advance received from Customers		302401000
Sales Tax Payable		11453653
Income Tax / Corporate Tax payable		68542091
<b>Total</b>		<b>816793030</b>

## Schedule 9 MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)		
Deffered Revenue Expenses		4004905
<b>Total</b>		<b>4004905</b>

## Schedules forming part of the Consolidated Accounts as at 31st March 2010 (Amount in Rs.)

Particulars	31.03.2010	
<b>Schedule 10 NET SALES / INCOME FROM OPERATIONS</b>		
Net Sales Domestic	414713508	
Net Sales Export	9233479	
Project Revenue	2009940681	2433887668
Add: Excise Duty	146574269	
Sales Tax	56116312	202690581
Gross Sales		2636578249
Erection Charges		48987991
Freight Charges		10927653
<b>Sub Total</b>		<b>2696493893</b>
Less: Excise Duty	146574269	
Sales Tax	56116312	202690581
<b>Sub Total</b>		<b>2493803312</b>
<b>Other Income</b>		
Interest Received	8807796	
Misc. Income	14115869	22923665
<b>Total</b>		<b>2516726977</b>

<b>Schedule 11 MANUFACTURING &amp; OTHER EXPENSES</b>		
Raw Material Consumed		1443487589
Stores Consumed		41993717
Freight Charges		45969764
Power & Fuel		16423815
Fabrication Charges		30334425
Erection Charges		65619822
Other Manufacturing Expenses		16960931
<b>Total</b>		<b>1660790063</b>

<b>Schedule 12 EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Wages		51820361
Salary		55941227
Other Benefits		63239718
<b>Total</b>		<b>171001306</b>

<b>Schedule 13 DIRECTORS' REMUNERATION &amp; BENEFITS</b>		
Salary		30508000
Other Benefits		1696803
Contribution to Provident fund		756000
Commission to Non Executive Directors		1400000
Director Sitting Fee		104000
<b>Total</b>		<b>34464803</b>

## Schedules forming part of the Consolidated Accounts as at 31st March 2010 (Amount in Rs.)

Particulars	31.03.2010
<b>Schedule 14 ADMINISTRATIVE EXPENSES</b>	
Bank Charges	39413279
Travelling Expenses	23417332
Conveyance & Transport expenses	1305347
Repair Maintenance expenses	5550690
Telephone Charges	2961775
Rent Other Premises	1105046
Consultancy Charges	37895232
Other Expenses	17442044
Printing & Stationary	2757802
Office Expenses	5119931
Insurance Premium	2498979
<b>Total</b>	<b>139467457</b>

<b>Schedule 15 SELLING EXPENSES</b>	
Advertisement	1957644
Commission	12210914
Freight Charges	24073700
Other Selling Expenses	27399286
<b>Total</b>	<b>65641544</b>

<b>Schedule 16 FINANCE CHARGES</b>		
Interest Charges:		
Creditors & Others	7648220	
Financial Charges	339860	
Banks / Financial Institutions	119891628	127879708
Discounting charges		13209661
<b>Total</b>		<b>141089369</b>

<b>Schedule 17 INCREASE (+) / (DECREASE) (-) IN STOCK</b>	
<b>Closing Stock</b>	
Work In Process	39203622
Finished Goods	-
<b>Opening Stock</b>	
Work In Process	89053000
Finished Goods	-
<b>Total</b>	<b>(49849378)</b>



## Schedules forming part of the Consolidated Accounts as at 31st March 2010

### Schedule 18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

#### A. Basis of preparation of Consolidated Financial Statements

The financial statements are prepared under the historical cost convention on accrual and going concept basis and in corporation with the Accounting Standard issued by the Institute of Chartered Accountants of India and in accordance with the Generally Accepted Accounting Principles (GAAP) and provisions of the Companies Act, 1956.

#### B. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### C. Principles of Consolidation

The Consolidated Financial Statements relate to GEI Industrial Systems Ltd (“the Company”) and its Subsidiary Company-GEI Power Limited. The Consolidated Financial Statements have been prepared on the following basis:

- i) The financial statements of the Company and its Subsidiary Company are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard-21-“Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- ii) The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Parent for its standalone financial statements.
- iii) Goodwill arising on Consolidation – The excess of cost to the Parent, or its investment in subsidiary over its portion of equity in the subsidiary as per last audited financial statement of the Subsidiary Company, is recognized in the financial statements as goodwill. The Parent’s portion of equity in the subsidiary is determined on the basis of the value of assets and liabilities as per the last audited financial statements of the subsidiary.

## Consolidated Cash Flow Statement for the year ended 31st March 2010

(Amount in Rs.)

Particulars	2009-2010
Net Profit after tax & extra-ordinary items	157545304
<b>Adjustment for :</b>	
Depreciation	24348729
Interest	141089369
Interest earned	(8345032)
Profit on sale of Investment	-
Miscellaneous Expenses W/o	1596461
Loss on sale of Fixed Assets	-
<b>Operating Profit before Working Capital Charges</b>	<b>316234831</b>
<b>Adjustment for :</b>	
Trade and other receivables	(200054994)
Inventories	(254090367)
Trade Payables	(19563965)
<b>Cash generated from operations</b>	<b>(157474495)</b>
Direct Taxes Paid	(3812899)
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>(161287394)</b>
<b>Cash flow from Investment Activities</b>	
Purchase of Fixed Assets	(57863381)
Sale of Fixed Assets	-
Purchase of Investments	(132525306)
Advance for Fixed Assets	-
<b>NET CASH USED IN INVESTMENT ACTIVITIES [B]</b>	<b>(190388687)</b>
<b>Cash flow from Financing Activities</b>	
Proceeds from issue of Share Capital including Share Premium	156884800
Deferred Revenue Expenses	-
Dividend Paid	(21583230)
Borrowals - Cash Credit	253340037
Repayment of Borrowals	180155642
Deferred Liabilities	2500000
Deposits	-
Interest Paid	(141089369)
Interest Received	8345032
<b>NET CASH USED IN FINANCE ACTIVITIES [C]</b>	<b>438552912</b>
Net Increase in cash and cash equivalents (A + B + C)	86876832
Cash and cash equivalents (Opening)	134720407
Cash and cash equivalents (Closing)	221597239
	<b>86876832</b>

As per our report of even date attached  
For **A. K. Khabya & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. M. N. G. Pillai**  
Partner  
Membership No. 074051  
Firm Registration No. 001994C  
Place: Bhopal  
Date: 23rd August 2010

**C E Fernandes**  
Chairman & Managing Director

**Bernard John**  
Joint Managing Director

**Sudeep Jain**  
Company Secretary

## Directors' Report

To  
The Members,  
**GEI Power Limited**

The Directors have pleasure in submitting the Nineteenth Annual Report and Audited Accounts of the Company for the financial year ended 31st March 2010.

The Phase I of the manufacturing facilities at Mandideep, is nearly complete and work on Phase II of the manufacturing facility has commenced. Both Phase I and Phase II will be fully operational by November / December 2010.

Your Company has started the commercial production and achieved a Net Sales of Rs.1513.92 Lacs in 2009-10.

### Financial Highlights

Particulars	(Rs. in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Net Sales / Income from Operations	1513.92	2.30
Net Profit / (Net Loss)	146.81	(4.44)

### Accomplishments

Some of the major accomplishments of your Company during the year are stated below:

- Achieved significant increase in turnover to Rs. 1513.92 Lacs in FY 2009-10, as compared to Rs. 2.30 Lacs in FY 2008-09.
- Achieved a profit level of Rs. 146.81 Lacs in the FY 2009-10, as compared to a loss of Rs. 4.44 Lacs in FY 2008-09.
- Secured Financial Facilities from Union Bank of India for Phase-II of the manufacturing facilities.

### Future Prospects

Government's thrust and policy initiatives for the Power Sector will help to raise the demand for your Company's products. We expect your Company to do well and grow satisfactorily in the years to come.

### Allotment of 15% Compulsorily Convertible Debentures

Pursuant to the approval of members at the Extra Ordinary General Meeting of the Company held on 19.08.2009, the Company allotted 1,000 Compulsorily Convertible Debentures (CCDs) of Rs. 1,00,000 each to BanyanTree Growth Capital LLC on 26.10.2009. The object of the issue is to raise resources for increasing activities and proposed expansion of your Company.

### Fixed Deposits

The Company has not accepted deposits from the public during the year under review. There were no overdue deposits for repayment on the date of this report.

### Auditors

The members are requested to appoint the Auditors for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

M/s A.K. Khabya & Co., Chartered Accountants, the Auditors of your Company, hold office till conclusion of the ensuing Annual General Meeting. The Directors recommend their re-appointment

for a further period of one year in view of their eligibility.

### Directors

During the year Mr. Jofi Alexander and Mr. Naval Totla (Nominee of BanyanTree Growth Capital LLC, Mauritius) were inducted into the Board of Directors. Mr. Pannalal Mundhra has resigned from the Board of Directors w.e.f. 28.04.2010.

Mrs. Everlyn Fernandes retires from the Board of Directors by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

### Industrial Relations

During the year under review, Industrial relations continued to remain harmonious.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' responsibility statement, it is hereby confirmed that :

- In the preparation of the account for the financial year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The Directors have prepared the accounts for the financial year ended on 31st March 2010 on a going concern basis.

### Conservation Of Energy, Technology Absorption And Foreign Exchange

Information in accordance with the provision of Section 217(1) (e)

of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure-A, forming part of this report.

### Particulars Of Employees

None of the employees of the Company was in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956.

### Corporate Governance

As required under the Companies Act, 1956, the Company adheres to the principles of Corporate Governance and continues to focus on adopting the best Corporate Governance practices.

### Acknowledgement

Your Directors wish to express their grateful appreciation for the assistance and co-operation received from the Government Authorities, Financial Institutions, Banks, Customers, and other stakeholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services rendered by the Executives, Staff and Workmen of the Company.

For and on behalf of the Board

Place : Bhopal  
Date : 23rd August 2010

**C E Fernandes**  
Director

## ANNEXURE A

### Annexure to Directors' Report for the year ended 31st March 2010

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo. [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]

### Conservation Of Energy

- |   |  |
|---|--|
| <p>a. Measures Taken</p> <p>b. Additional Investments and proposals, if any for reduction in consumption of energy</p> <p>c. Impact of a &amp; b</p> <p>d. Total energy consumption</p> | <p>Company has undertaken following measures to reduce consumption of power :</p> <p>i) Strict vigil ensured on Power, Light and Air conditioning load.</p> <p>ii) Induction of energy efficient equipments in place of conventional equipments.</p> <p>No additional investment proposed.</p> <p>Saving in Light &amp; Power Load</p> <p>As per Form – A of the Annexure to the Rules in respect of Industries specified in the schedule thereto.</p> |
|---|--|

### Form A

#### Power & Fuel Consumption

	<i>(Rs. in lacs)</i>	
	Year ended 31.03.2010	Year ended 31.03.2009
(a) Purchased		
Unit-Kwh	221780	0.00
Total Amount(Rs.)	2950286	68040
Rate/Unit(Rs.)	13.30	0.00
(b) Own Generation		
Through Diesel Unit-Kwh	0.00	0.00
Cost/Unit (variable) Rs.	0.00	0.00

### Form B

#### Research and Development

##### 1. Expenditure on R&D \*

(a) Capital	Nil	Nil
(b) Recurring	Nil	Nil
(c) Total	Nil	Nil
(d) Total R&D expenditure as a percentage of total turnover	Nil	Nil

\* Project specific R & D expenses were accounted in the respective projects.

##### 2. Foreign Exchange Earning & Outgo

Nil

## Auditor's Report

To  
The Members,  
GEI Power Limited

1. We have audited the attached Balance Sheet of GEI POWER LIMITED, as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement 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 conducted our audit in accordance with the 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 mis-statement. 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.
3. As required by the Companies (Auditor's 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 and 5 of the said Order.
4. 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 purposes of our audit;
  - (ii) In our opinion, proper books of account 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 and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, except Accounting Standard-22 (Taxes on Income).
  - (v) On the basis of written representations received from the Directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 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 with notes on accounts, give the information 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; and
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
    - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **A.K. Khabya & Co.**  
*Chartered Accountants*

**CA. M.N.G. Pillai**  
*Partner*

Place: Bhopal  
Date: 23rd August 2010

Membership No.74051  
FRN 001994C

## Annexure to the Auditor's Report

Annexure as referred to in paragraph 3 of our report of even date of GEI Power Limited on the Accounts for the year ended on 31st March 2010

- i) a) On the basis of available information the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us all the assets have been physically verified by the management as per a program of verification in a periodical manner, 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.
- c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- ii) a) As explained to us the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification as compared to the book records.
- iii) a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii)(b), (c) and (d) of the Order are not applicable.
- b) According to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions on which loans have been given by the Company are not, prima facie, prejudicial to the interest of the Company.
- iv) In our opinion and according to the information and explanations given to us, there are 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 the sale of goods. During the course of our audit, we have not come across any major weakness in internal controls.
- v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts and arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section.
- b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the purview of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, during the year.
- vii) Though the Company does not have a formal internal audit system as required by the Companies Act, 1956, its internal control procedure ensure internal checking of financial records, which in our opinion is reasonable and commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us the Central Government has not prescribed maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956, for the products manufactured by the Company.
- ix) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues whichever applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.
- c) According to the records of the Company and information and explanations given to us, there were no disputed statutory dues as on 31st March 2010.

## Schedules forming part of the Accounts as at 31st March 2010

- x) The Company has no accumulated or cash losses during the financial year covered by our audit but there was cash loss of Rs.101,939 in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore Paragraph 4(xii) of the Order is not applicable.
- xiii) 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.
- xiv) In our opinion, 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.
- xv) In terms of the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions and therefore paragraph 4(xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us, the term loan taken by the Company was applied for the purpose for which it was obtained.
- xvii) According to the Cash Flow Statement and other records examined by us and information and explanations given to us, on an overall basis, the funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- xix) No security or charge has been created in respect of debentures issued by the Company during the year.
- xx) The Company has not raised any money by way of public issues during the year and therefore paragraph 4(xx) of the Order is not applicable.
- xxi) According to the information and explanations given to us and in our opinion, no fraud on or by the Company has been noticed or reported during the year.

For **A.K. Khabya & Co.**  
*Chartered Accountants*

**CA. M.N.G. Pillai**  
*Partner*

Place: Bhopal  
Date: 23rd August 2010

Membership No.74051  
FRN 001994C

**Balance Sheet** as at 31st March 2010

(Amount in Rs.)

Particulars	Schedule	31.03.2010	31.03.2009
<b>SOURCES OF FUNDS:</b>			
<b>A) Share Holders' Fund</b>			
Share Capital	1	22438500	22438500
Reserve and Surplus	2	43736898	27556222
<b>B) Loan Funds</b>			
Secured Loan	3	176193124	61000000
Unsecured Loan	4	100000000	–
<b>Total</b>		<b>342368522</b>	<b>110994722</b>
<b>APPLICATION OF FUNDS:</b>			
<b>Fixed Assets</b>			
Gross Block	5	161630752	119140238
Less : Accumulated Depreciation		4142196	50680
Net Block		157488556	119089558
Capital Work-in-progress		3654129	
		161142685	119089558
<b>C) Current Assets, Loans &amp; Advances</b>			
Inventories	6	63141315	9939734
Sundry Debtors	7	146961072	–
Cash & Bank Balance	8	18023691	11157870
Loans & Advances	9	38492766	15526622
<b>Total</b>		<b>266618844</b>	<b>36624226</b>
Less : Current liabilities and provisions	10	86266482	45883696
<b>Net Current Assets</b>		<b>180352362</b>	<b>(9259470)</b>
<b>D) Miscellaneous Expenditure</b>			
(to the extent not written off or adjusted)			
Preliminary expenses	17	873475	1164634
Significant accounting policies and notes forming part of accounts.	18		
<b>Total</b>		<b>342368522</b>	<b>110994722</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For **A. K. Khabya & Co.**  
Chartered AccountantsCA. M. N. G. Pillai  
Partner  
Membership No. 074051  
Firm Registration No. 001994C  
Place: Bhopal  
Date: 23rd August 2010C E Fernandes  
DirectorMrs. Evelyn Fernandes  
Director



**Profit and Loss Account** for the year ended 31st March 2010

(Amount in Rs.)

Particulars	Schedule	31.03.2010	31.03.2009
<b>INCOME</b>			
Gross Sale / Income from Operations		186262706	280010
Add : Other Income		14964797	201227503
Less : Taxes & Duties		34870534	50060
Net Sales / Income from Operations	11	166356969	229950
Increase / (Decrease) in Stock	12	30051621	832000
		<b>196408590</b>	<b>1061950</b>
<b>EXPENDITURE</b>			
Manufacturing & Other Expenses	13	138364466	1025166
Employees remuneration & benefits	14	6748530	–
Administrative Expenses	15	9008041	38207
<b>Profit before Depreciation, Interest &amp; Tax</b>		<b>42287553</b>	<b>(1423)</b>
Finance Charges	16	20391682	100516
<b>Profit before Depreciation &amp; Tax</b>		<b>21895871</b>	<b>(101939)</b>
Depreciation		4091516	50680
Preliminary Expenses Written off	17	291159	291159
<b>Profit / (Loss) Before Tax</b>		<b>17513196</b>	<b>(443778)</b>
Provision for Income tax		2832520	–
<b>Profit / (Loss) after Tax</b>		<b>14680676</b>	<b>(443778)</b>
Add : Loss brought forward from previous year		(443778)	–
<b>Surplus Carried to Balance Sheet</b>		<b>14236898</b>	<b>(443778)</b>
Significant accounting policies and notes forming part of accounts.	18		

As per our report of even date attached

For and on behalf of the Board of Directors

For **A. K. Khabya & Co.***Chartered Accountants***CA. M. N. G. Pillai***Partner*

Membership No. 074051

Firm Registration No. 001994C

Place: Bhopal

Date: 23rd August 2010

**C E Fernandes***Director***Mrs. Everlyn Fernandes***Director*

**Schedules forming part of the Accounts** as at 31st March 2010

(Amount in Rs.)

Particulars	31.03.2010	31.03.2009
<b>Schedule 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
70,00,000 Equity Shares of Rs 10 each	70000000	70000000
30,00,000 Preference shares of Rs 10 each	30000000	30000000
<b>Total</b>	<b>100000000</b>	<b>100000000</b>
<b>Issued Subscribed and Paidup</b>		
22,43,850 (Previous Year 22,43,850) Equity Shares of Rs.10 each fully paid	22438500	22438500
	<b>22438500</b>	<b>22438500</b>

<b>Schedule 2 RESERVES AND SURPLUS</b>		
Share Premium	28000000	28000000
Capital Reserve	1500000	–
Profit as per Profit & Loss account	14236898	(443778)
<b>Total</b>	<b>43736898</b>	<b>27556222</b>

<b>Schedule 3 SECURED LOAN</b>		
<b>Working Capital</b>		
IDBI Bank Ltd.	46192820	–
	<b>46192820</b>	–
<b>Term Loan</b>		
Madhya Pradesh Financial Corporation	90065723	61000000
IDBI Bank Ltd.	39500000	–
Federal Bank (Vehicle Loan)	635908	–
Less : Unaccrued Financial Charges	201327	434581
<b>Sub Total</b>	<b>130000304</b>	<b>61000000</b>
<b>Total</b>	<b>176193124</b>	<b>61000000</b>

**Notes :**

Working Capital Loan of Rs. 1500 Lacs from IDBI Bank Ltd is secured by way of First Charge on Company's entire Current Assets and Second Charge on Company's entire moveable property, immovable property and leasehold land admeasuring One Lac Square Meters situated at Plot No. 10A, Industrial Area, Phase - II (Satlapur), Mandideep, Dist : Raisen (M.P.).

Term Loan of Rs. 1000 Lacs from Madhya Pradesh Financial Corporation (MPFC) is secured by way of First Charge on Leasehold Land admeasuring One Lac Square Meters together with Buildings thereon situated at Plot No. 10A, Industrial Area, Phase - II (Satlapur), Mandideep, Dist : Raisen (M.P.) ranking pari-passu basis with IDBI Bank Ltd for their Term Loan.

Term Loan of Rs. 560 Lacs from IDBI Bank Ltd is secured by way of First Charge on Company's entire moveable properties and leasehold land admeasuring One Lac Square Meters situated at Plot No. 10A, Industrial Area, Phase - II (Satlapur), Mandideep, Dist : Raisen (M.P.) ranking pari-passu basis with MPFC for their Term Loan.

Mr. C E Fernandes and Mrs. Evelyn Fernandes have personally guaranteed the repayment of above Working Capital Loan and Term Loans from IDBI Bank Ltd and MPFC. GEI Industrial Systems Ltd (Holding Company) has given a Corporate Guarantee for repayment of Working Capital Loan and Term Loan from IDBI Bank Ltd.

Vehicle Loan from the Bank is secured by the assets financed.

## Schedules forming part of the Accounts as at 31st March 2010

(Amount in Rs.)

Particulars	31.03.2010	31.03.2009
Schedule <b>4</b> UNSECURED LOAN		
15% Compulsorily Convertible Debentures (CCDs)	100000000	–
<b>Total</b>	<b>100000000</b>	<b>–</b>

## Notes :

1000, 15% Compulsorily Convertible Debentures (CCD) have been allotted to Banyantree Growth Capital LLC on 26.10.2009 pursuant to the share holders approval obtained at EGM dated 19.08.2009.

Schedule **5** FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.09	Addition During the year	Deduction During the year	As at 31.03.10	Upto 01.4.09	For the Year	Transfer	Up to 31.03.10	As on 31.03.10	As on 31.03.09
Land	24137035	2793953	–	26930988	–	–	–	–	26930988	24137035
Building & Site Development	57628707	6320770	–	63949477	26367	1950014	–	1976381	61973096	5,602340
Plant & Machinery	35139941	27981092	–	63121033	22865	2014508	–	2037373	61083660	35117076
Electrical Installation	2227305	3541592	–	5768897	1448	124935	–	126383	5642514	2225857
Furniture	450	90579	–	91029	–	886	–	886	90143	450
Computers	–	375994	–	375994	–	509	–	509	375485	–
Vehicle	–	860687	–	860687	–	–	–	–	860687	–
Office Equipment	6800	525847	–	532647	–	663	–	663	531984	6800
<b>Total</b>	<b>119140238</b>	<b>42490514</b>	<b>–</b>	<b>161630752</b>	<b>50680</b>	<b>4091516</b>	<b>–</b>	<b>4142196</b>	<b>157488556</b>	<b>119089558</b>
Previous Year	24124785	95015453	–	119140238	–	50680	–	50680	119089558	24124785

	31.03.2010	31.03.2009
Schedule <b>6</b> INVENTORIES		
(As taken valued and certified by the Management)		
Raw Materials - At Cost	32257694	9107734
Work in process	30840709	832000
Offcuts	42912	–
<b>Total</b>	<b>63141315</b>	<b>9939734</b>

Schedule **7** SUNDRY DEBTORS

Outstanding for a period, exceeding Six Months, Good	–	–
Other Good	146961072	–
<b>Total</b>	<b>146961072</b>	<b>–</b>

## Schedules forming part of the Accounts as at 31st March 2010

(Amount in Rs.)

Particulars	31.03.2010		31.03.2009	
<b>Schedule 8 CASH &amp; BANK BALANCE</b>				
Cash in Hand		15417		70123
Balance with Schedule Banks		7856398		11087747
Fixed Deposits (Lodged with Bank towards the Margin Money for Letters of Credit)		10000000		-
Interest Accrued on FDR's		151876		-
<b>Total</b>		<b>18023691</b>		<b>11157870</b>
<b>Schedule 9 LOANS &amp; ADVANCES</b>				
(Unsecured considered Good)				
Advance recoverable in cash or kind / or for value to be received		36151772		13802622
Deposit with Govt & Pvt. Agencies		2340994		1724000
<b>Total</b>		<b>38492766</b>		<b>15526622</b>
<b>Schedule 10 CURRENT LIABILITIES AND PROVISIONS</b>				
Sundry Creditors :				
For Suppliers				
Under Letter of Credit	39966608		-	
Direct Creditors	9384273	49350881	5815313	5815313
For Expenses and others		13317334		7707064
For Capital Expenditure		9312094		16187321
Advance from Customers against Supplies		-		16173998
Sales Tax Payable		11453653		-
Income Tax / Corporation Tax Payable		2832520		-
<b>Total</b>		<b>86266482</b>		<b>45883696</b>
<b>Schedule 11 SALES &amp; OTHER INCOME</b>				
Net Sales Domestic		150176498		229950
Add : Excise Duty	14309749		18948	
Sales Tax	20560785	34870534	31112	50060
Gross Sales		185047032		280010
Labour Charges		1215674		-
<b>Sub Total</b>		<b>186262706</b>		<b>280010</b>
Less : Excise Duty	14309749		18948	
Sales Tax	20560785	34870534	31112	50060
<b>Sub Total</b>		<b>151392172</b>		<b>229950</b>
<b>Other Income</b>				
Interest received	462764		-	
Subsidy Received	14499361		-	
Misc. Income	2672	14964797	-	-
<b>Total</b>		<b>166356969</b>		<b>229950</b>
<b>Schedule 12 INCREASE(+)/(DECREASE-) IN STOCK</b>				
<b>Closing Stock</b>				
Work In Process		30883622		832000
<b>Opening Stock</b>				
Work In Process		832000		-
<b>Total</b>		<b>30051622</b>		<b>832000</b>

## Schedules forming part of the Accounts as at 31st March 2010

(Amount in Rs.)

Particulars	31.03.2010	31.03.2009
<b>Schedule 13 MANUFACTURING &amp; OTHER EXPENSES</b>		
Raw Material Consumed	111807976	932066
Stores Consumed	1119633	–
Freight Charges	5359151	–
Power and Fuel	3842759	68040
Fabrication Charges	10402095	15060
Consultant's Remuneration	3811489	–
Other Manufacturing Charges	2021363	10000
<b>Total</b>	<b>138364466</b>	<b>1025166</b>

<b>Schedule 14 EMPLOYEES REMUNERATION AND BENEFITS</b>		
Salary & Wages	5285697	–
Other Benefits	1462833	–
<b>Total</b>	<b>6748530</b>	<b>–</b>

<b>Schedule 15 ADMINISTRATIVE EXPENSES</b>		
Bank Charges	917381	–
Travelling Expenses	236715	–
Conveyance & Transport Expenses	713826	–
Repair & Maintenance	4162	–
Telephone Expenses	24254	–
Lease Rent & Maintenance Charges	827771	–
General and Misc. Expenses	79838	–
Printing & Stationery	45173	–
Auditor's Remuneration	55150	16545
Legal & Professional Expenses	5512079	21662
Insurance Expenses	371990	–
Vehicle Maintenance	219702	–
<b>Total</b>	<b>9008041</b>	<b>38207</b>

<b>Schedule 16 FINANCE CHARGES</b>			
Interest Charges:			
Banks / Financial Institutions	10995384	92296	
Creditors & Others	6558615	8220	
LC Charges			100516
<b>Total</b>	<b>20391682</b>		<b>100516</b>

<b>Schedule 17 PRELIMINARY EXPENSES</b>		
Opening Balance	1164634	1455793
Preliminary Expenses Written Off	291159	291159
	<b>873475</b>	<b>1164634</b>

## Schedules forming part of the Accounts as at 31st March 2010

### Schedule 18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

#### A. Significant Accounting Policies followed by the Company

##### a. Accounting Conventions :

- The accounts are prepared under the historical cost convention in accordance with generally accepted accounting principles and the provision of the Companies Act, 1956 as adopted consistently by the Company.
- The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

##### b. Sales :

The Revenue from Sales of Goods are recognized at the point of dispatch of Finished goods to the customer.

##### c. Fixed Assets :

Fixed Assets are stated at historical cost less depreciation. Expenditure during construction period has been capitalized on proportionate basis to Building and Plant & Machinery account.

##### d. Depreciation:

Depreciation on Fixed Assets has been provided on Straight Line Method in accordance with the provision of Section 205 (2) (b) of the Companies Act, 1956 at the rate and in manner specified in schedule XIV of the Companies Act, 1956.

##### e. Inventories

Raw Materials, Stores, Spares and Consumables are valued at cost. Semi-finished goods are valued at cost of raw-material and the cost incurred in the normal course of business in bringing the goods up to the present condition on estimate basis or at realizable value, which ever is lower.

#### B. Notes on Accounts

##### 1. Earning per share

Particulars	<i>(Amount in Rs.)</i>	
	2009-2010	2008-2009
a) Net Profit/(Loss) as per Profit & Loss A/c	14680676	(443778)
b) Weighted average number of Equity shares used as denominator for calculating Earning Per Share	2243850	2243850
c) Basic and diluted Earnings Per Share of face value of Rs 10 each	6.54	(0.20)

##### 2. Contingent Liability

All liabilities have been provided for in the accounts except liability of contingent nature, which have been disclosed at their estimated value as under :

Guarantee and/or counter guarantees given by Banks NIL

##### 3. Related Party Disclosure

Related party disclosure as required by AS 18 "Related Party Disclosures" are given below :

- Key Managerial Personnel (KMP) : Mr. C E Fernandes (Director)
- The following transactions were carried out with the related parties in the ordinary course of business

Related Party Name	Receiving of Services / Purchase	Rendering of Services / Purchase	Balance as on 31.03.10 Debit / (Credit)
GEI Industrial Systems Ltd	-	186262705	146961072
Vemaa Industries Limited	2771112	-	(2771112)
Mr. C E Fernandes	240000	-	(107894)

## Notes forming part of the Accounts for the year ended 31st March 2010

### Schedule 18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

#### 4. Payment to Auditors (Net of Service Tax)

(Amount in Rs.)

Particulars	2009-2010	2008-2009
Audit Fee	50000	15000
Certification Fee	25309	3500
<b>Total</b>	<b>75309</b>	<b>18500</b>

#### 5. The Information as required by Para 3 & 4 of part II of Schedule VI of the Companies Act 1956:

##### A. Installed Capacity and Production

(Amount in Rs.)

Sl. No.	Particulars	Unit	Installed Capacity*		Actual Production**	
			31.03.2010	31.03.2009	31.03.2010	31.03.2009
1.	Heavy Fabrication Power Plant Structures for Power Equipments, Transmission Towers, Power Plant Equipments, Sub-Station Structures	MT	50000	50000	3575.63	5.475
2.	Off – Cuts	MT			1.788	–

\* Installed capacity has been certified by the management and not verified by the auditors, being technical matters.

\*\* Production Quantities are based on drawings and designs as certified by the management.

(Amount in Rs.)

Sl. No.	Particulars	Unit	31.03.2010		31.03.2009	
			Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>B. Opening Stock of Finished Goods</b>						
1.	Heavy Fabrication Power Plant Structures for Power Equipments, Transmission Towers, Power Plant Equipments, Sub-Station Structures	MT	Nil	Nil	Nil	Nil
2.	Off – Cuts	MT	Nil	Nil	Nil	Nil
<b>C. Closing Stock of Finished Goods</b>						
1.	Heavy Fabrication Power Plant Structures for Power Equipments, Transmission Towers, Power Plant Equipments, Sub-Station Structures	MT	Nil	Nil	Nil	Nil
2.	Off – Cuts	MT	1.788	42,912	Nil	Nil
<b>D. Turnover</b>						
1.	Heavy Fabrication Power Plant Structures for Power Equipments, Transmission Towers, Power Plant Equipments, Sub-Station Structures	MT	3575.631	150176498	5.475	229950
2.	Off – Cuts	MT	Nil	Nil	Nil	Nil
<b>E. Raw Material and Intermediate Consumed</b>						
1.	MS Plates / Sheets / Angles	KG	4124895	111807975	27016	932066

## Notes forming part of the Accounts for the year ended 31st March 2010

### Schedule 18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS (CONTD.)

#### F. Value of Raw Material, Stores & Spares consumed during the year:

(Amount in Rs.)

Sl. No.	Particulars	31.03.2010		31.03.2009	
		Value Rs.	Percentage	Value Rs.	Percentage
1	Raw Material				
	Imported	Nil	0%	Nil	0%
	Indigenous	111807975	100%	932066	100%
	<b>Total</b>	<b>111807975</b>		<b>932066</b>	
2	Stores & Spares				
	Imported	Nil	0%	Nil	Nil
	Indigenous	1119633	100%	Nil	Nil
	<b>Total</b>	<b>1119633</b>		<b>Nil</b>	

	31.03.2010	31.03.2009
G. CIF Value of Imports	Nil	Nil
H. Expenditure in Foreign Currency		
Interest on Debenture	6534297	Nil
Foreign Traveling	210465	Nil
I. Earning in Foreign Currency	Nil	Nil

6. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's classification.

As per our report of even date attached

For and on behalf of the Board of Directors

For A. K. Khabya & Co.  
Chartered Accountants

CA. M. N. G. Pillai  
Partner  
Membership No. 074051  
Firm Registration No. 001994C  
Place: Bhopal  
Date: 23rd August 2010

C E Fernandes  
Director

Mrs. Everlyn Fernandes  
Director



**Cash Flow Statement** for the year ended 31st March 2010

(Amount in Rs.)

Particulars	2009-2010	2008-2009
Net Profit after tax & extra-ordinary items	14680676	(443778)
<b>Adjustment for :</b>		
Depreciation	4091516	50680
Interest Paid	20391682	100516
Interest earned	(462764)	-
Miscellaneous Expenses W/o	291159	291159
<b>Operating Profit before Working Capital Charges</b>	<b>38992269</b>	<b>(1423)</b>
<b>Adjustment for:</b>		
Trade and other receivables	(169927216)	(13649224)
Inventories	(53201581)	(9939734)
Trade Payables	40382786	45392602
<b>Cash generated from operations</b>	<b>(143753742)</b>	<b>21802221</b>
Direct Taxes Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>(143753742)</b>	<b>21802221</b>
Purchase of Fixed Assets	(46144643)	(95015453)
<b>NET CASH USED IN INVESTMENT ACTIVITIES [B]</b>	<b>(46144643)</b>	<b>(95015453)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from issue of Share Capital including Share Premium	1500000	23155464
Deffered Revenue Expenses	-	(1040391)
Borrowals - Cash Credit	46192820	-
Repayment of Borrowals	169000304	61421317
Interest Paid	(20391682)	(100516)
Interest Received	462764	-
<b>NET CASH USED IN FINANCE ACTIVITIES [C]</b>	<b>196764206</b>	<b>83435874</b>
Net Increase in cash and cash equivalents (A + B + C)	6865821	10222642
Cash and cash equivalents (Opening)	11157870	935228
Cash and cash equivalents (Closing)	18023691	11157870
	<b>6865821</b>	<b>10222642</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For **A. K. Khabya & Co.***Chartered Accountants***CA. M. N. G. Pillai***Partner*

Membership No. 074051

Firm Registration No. 001994C

Place: Bhopal

Date: 23rd August 2010

**C E Fernandes***Director***Mrs. Everlyn Fernandes***Director*

**Information as per part IV of Schedule VI to Companies Act, 1956** for the year ended 31st March 2010

<b>a) Registration Details</b>		
Registration No	:	U02899MP1991PLC006262
State Code	:	10
Balance Sheet date	:	31.03.2010
<b>b) Capital raised during the year (Amount in Rs. Thousand)</b>		
Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil
<b>c) Position of Mobilization &amp; Deployment of Funds (Amount in Rs. Thousand)</b>		
Total Liabilities	:	342368.52
Total Assets	:	342368.52
<b>Sources of Funds</b>		
Paid up Capital	:	22438.50
Share Application Money	:	Nil
Reserve & Surplus	:	43736.90
Secured Loans	:	176193.12
Unsecured Loan	:	100000.00
<b>Application of Funds</b>		
Net Fixed Assets	:	161142.68
Investments	:	Nil
Net Current Assets	:	180352.36
Miscellaneous Expenditure	:	873.48
<b>d) Performance of Company (Amount in Rs. Thousand)</b>		
Turnover (Gross Revenue)	:	166356.97
Total Expenditure	:	148843.77
Profit/(Loss) before Tax	:	17513.20
Profit/(Loss) after Tax	:	14680.68
Profit after extra-ordinary items	:	14680.68
Earning per Share (Rs.)	:	6.54
<b>e) Generic Name of Principal Products, Services of the Company</b>		
Item Code No. (ITC Code)	:	841950.09
Product description	:	Heavy Fabrication Power plant Structures for power equipments transmission powers, power plant equipment, substation structures

As per our report of even date attached

For and on behalf of the Board of Directors

For **A. K. Khabya & Co.**

*Chartered Accountants*

**CA. M. N. G. Pillai**

*Partner*

Membership No. 074051

Firm Registration No. 001994C

Place: Bhopal

Date: 23rd August 2010

**C E Fernandes**

*Director*

**Mrs. Everlyn Fernandes**

*Director*

# CORPORATE INFORMATION

## Board of Directors

Mr. C E Fernandes  
Mr. Bernard John  
Mr. Pannalal Mundhra  
Mrs. Evelyn Fernandes  
Ms. Irene Valentine  
Mr. D. Laxminarayan  
Mr. S. C. Duggal  
Mr. Vijay Khanna  
Dr. Sudarshan Synghal  
Mr. K. Nandakumar  
Mr. Sanjiv Singhal

Chairman & Managing Director  
Joint Managing Director  
Whole Time Director  
Whole Time Director  
Non Executive Director  
Executive Director  
Independent- Non Executive Director  
Independent- Non Executive Director  
Independent- Non Executive Director  
Independent- Non Executive Director  
Non Executive Director (Nominee of BTGC)

## Company Secretary

Mr. Sudeep Jain

## Key Executives

Mr. P.V. Sundaram  
Mr. N.K. Katare  
Mr. Robinson Fernandez  
Mr. J.C. Sanghvi  
Mr. G.S. Tiwari  
Mr. Alok Jagani  
Mr. Rajesh Vohra  
Mr. J.V.S.S.B. Prasad Rao

President (Corporate Management)  
Sr. Vice President (Corporate H.R.)  
Sr. Vice President (Applications)  
Vice President (Marketing)  
Vice President (MM & SCX)  
Vice President (Finance)  
Vice President (Mumbai)  
General Manager (QA & QC)

## Auditors

A.K. Khabya & Co.  
Chartered Accountants  
Bhopal - M.P.

## Registrar & Share Transfer Agent

Link Intime India Pvt Ltd.  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup (W), Mumbai - 400 078

## Bankers

ICICI Bank Ltd.  
IDBI Bank Ltd.  
State Bank of India  
Barclays Bank PLC.  
Kotak Mahindra Bank Ltd  
Yes Bank Ltd.  
Standard Chartered Bank

## Registered Office

26/A, Industrial Area,  
Govindpura, Bhopal (M.P.) 462 023

## Corporate Office

501, Central Plaza, 5th Floor,  
166, CST Road, Kalina,  
Santacruz (East), Mumbai - 400 098



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