

Annual Report 2013



OIL

POWER

GAS



GEI INDUSTRIAL SYSTEMS LTD

ENERGY SYSTEMS & SOLUTIONS

Growth through innovation

Corporate Information

BOARD OF DIRECTORS

Mr. C E Fernandes
Mr. Bernard John
Mr. Pannalal Mundhra
Mr. Robinson Fernandez
Mr. S C Duggal
Mr. Vijay Khanna
Dr. Sudarshan Synghal
Mr. K Nandakumar
Mr. Sanjiv Singhal
Mr. Ajitha Kumar

Chairman & Managing Director
Joint Managing Director
Whole Time Director
Director
Independent-Non Executive Director
Independent-Non Executive Director
Independent-Non Executive Director
Independent-Non Executive Director
Independent-Non Executive Director
Nominee Director

KEY EXECUTIVES

Mr. D Laxminaryan
Mr. P K Ravi
Mr. N K Katare
Mr. Shankar Malani
Mr. Raghu Nair
Mr. J C Sanghvi
Mr. G S Tiwari
Mr. T R Guliani

Dy. Chief Executive Officer
Chief Financial Officer
Sr. Vice President (Corporate H.R.)
Sr. Vice President (Project Management)
Sr. Vice President (Systems Process Management)
Vice President (Marketing)
Vice President (MM)
Vice President (Project Services)

AUDITORS

A. K. Khabya & Co.
Chartered Accountants
Bhopal – 462 011 (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

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

REGISTERED OFFICE

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

CORPORATE OFFICE

G-3, Central Plaza, Ground Floor,
166, CST Road, Kalina,
Santacruz (E), Mumbai – 400 098

Directors' Report

Dear Shareholders,

The Directors have pleasure in submitting the 20th Annual Report together with the Audited Accounts for the financial year ended 31st March, 2013.

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
Gross Turnover	16689.16	36449.64
EBIDTA	-1191.13	4221.41
Profit After Tax (PAT)	-4842.73	8.41

Financial Analysis / Review FY 2012-13

FY 12-13 had been a very difficult year for the engineering and capital goods industry in India on account of adverse factors such as:

- Overall Economic slowdown
- Delay / deferment of projects, especially in the power sector.
- Lack of adequate bank credit.
- Continued problem in power sector.

The Company has initiated various measures to increase the order book as well as to reduce the overall cost of operations:

Measures to Increase the Order Book:

- Focus of Oil and Gas Sector in the Export market specially in the middle-east region where huge investment are coming up for refurbishing, revamp and modernisation project for oil and gas exploration these project also required air cooled steam condenser for combined cycle power plant where GEI has past reference.
- Continued focus on EPC packages for nuclear power plant.
- Continued marketing efforts for ACSC packages for higher megawatt (300/660 MW) projects.

Measures to reduce Cost of operations:

- Standardise design to reduce inventory / procurement lead-time.
- Buy or hedge maximum annual requirement when the prices are on the softer side (subject to cost/benefit analysis on inventory holding).
- Explore the possibilities of importing select raw materials and bought outs from China / Korea.
- Reduction / Rationalisation of work force across locations.
- Reduction in Administration & selling expenses.

Accomplishments

Air Cooled Heat Exchangers:

- GEI Industrial Systems has been awarded contracts for supply of Air Cooled Heat Exchangers for Refinery Project being set up by Indian Oil Corporation at Paradip in Orissa. The contracts consist of three packages with carbon steel, duplex stainless steel and super duplex stainless steel metallurgy. These air coolers are offered CDU, AVU and SRU units of the Paradip Refinery.
- Secured order from Mercator Offshore (o) Pte Ltd and Gulf Piping Company W.L.L. for supply of Process Gas Coolers and Lube Oil Coolers for the Mobile Offshore Production Utilities from Sagar Samrat Conversion Project of ONGC, Mumbai.
- GEI has bagged order for supply of high pressure shell and tube heat exchanger for compressed air application comprising of inter and after coolers from Siemens, Baroda for NMDC, Bhilai. Siemens considered GEI for this job based on technical approval from Siemens, Germany thereby paving way for business opportunity for global requirement of Siemens.

Air Cooled Vacuum Steam Condensers (ACSC):

- Successfully commissioned ACSC for 150 MW Unit-I of Ind Barath, Tuticorin, Tamilnadu.

- Successfully commissioned 10 ACSCs at different locations totaling 594 MW during the year.

Engineering, Procurement and Construction (EPC)

Secured an order from NPC for Heavy Water Upgrading and Waste Management Plants (2x700MW RAPP-7&8)

Export House Status

The Company continues its "Export House" status as recognised by the Ministry of Commerce & Industry, Government of India.

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.

Directors

Mr. D. Laxminarayan retired from the Directorship of the Company w.e.f. 29.09.2012. Mr. Bharat Banka resigned from the Board of Directors w.e.f. 01.11.2012. The Directors place on record their appreciation of the valuable services rendered by Mr. D. Laxminarayan and Mr. Bharat Banka during their tenure.

Mr. Ajitha Kumar was inducted into the Board of Directors of the Company as a Nominee Director on 14.02.2013 nominated by IDBI Bank Ltd.

Mr. S C Duggal and Mr. P. L. Mundhra retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

GEI Power Limited (Wholly Owned Subsidiary Company)

Phase I of the capital expansion (` 21.10 Cr) as well as majority work of Phase II of the capital expansion (` 34.40 Cr) have been completed and are in operation. Due to the current economic slowdown, further investment / expansion is kept on hold.

As on date, the total manufacturing capacity of GEI and GEI Power is approx. 3000-3500 MW of Air Cooled Vacuum Steam Condensers or equivalent equipments.

In view of the general exemption granted by the Ministry of Corporate Affairs, Government of India, under Section 212(8) of the Companies Act, 1956, the Audited Statements of Accounts, Directors' Report etc. of the wholly owned subsidiary company - GEI Power Limited, are not annexed to this report. However the same will be made available to members of the Company on request and can also be inspected at the Registered Office of the Company as well as the subsidiary. Pursuant to the condition of the general exemption, a statement of the summarised financials of the subsidiary is attached along with the Consolidated Financial Statements. Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of its subsidiary.

Dividend

Due to inadequacy of profit, your Directors regret their inability to recommend any dividend on Equity Shares for the financial year 2012-13.

Conversion of 5% Cumulative Convertible Preference Shares (CCPS) into Equity Shares (Non-Promoters)

Pursuant to the approval of the members received at the Extra Ordinary General Meeting of the Company held on 28th February 2011, the Company had allotted 25,54,668 - 5% Cumulative Convertible Preference Shares (CCPS) of Rs. 250 each to Aditya Birla Private Equity – Fund I (25,00,000 CCPS) and BanyanTree Growth Capital LLC (54,668 CCPS). During the year, the said CCPS got converted into 25,54,668 Equity Shares of Rs. 10 each at a premium of Rs. 240 each.

Conversion of Warrants into Equity Shares (Promoters)

Pursuant to the approval of the members received at the Extra Ordinary General Meeting of the Company held on 28th February 2011, the Company had allotted 5,00,000 Warrants of Rs. 250 each to Mr. C E Fernandes (Promoter). During the year, the said Warrants got converted into 5,00,000 Equity Shares of Rs. 10 each at a premium of Rs. 240 each.

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 accounts for the financial year ended 31st March, 2013, 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 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, 2013 on a going concern basis.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information in accordance with the provisions 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

Disclosure requirement in accordance with Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956 regarding salary particulars of employees is not applicable as they are within the threshold limits.

Corporate Governance

As required under the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges, 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 Practising Company Secretary forms part of this report.

Secretarial Audit Report

As a measure of good Corporate Governance, Secretarial Audit of the Company was conducted by Varun Bhomia, Practising Company Secretary and their report is attached. 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.

Auditors

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

A.K. Khabya & Co., Chartered Accountants, the Statutory Auditors of your Company, hold office until conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Health, Safety & Environment

The Company continues to maintain the highest standards of health, safety and environment. It emphasises preventive philosophy in respect of these matters and recognises significance of creating awareness through training & development on a continuous basis. Eliminating potential risks in all the areas of operations is carried out with the aim of total safety.

As a responsible corporate citizen, your Company believes in being environment friendly that manifests in all the areas of its working & operations. Not only its technology helps environment protection but adopts the culture of sustainability in every sphere of its activities.

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.

Acknowledgement

Your Directors take this opportunity to thank the Financial Institutions, Banks, Central and State Government Authorities, Regulatory Authorities, Stock Exchanges and other Stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the committed services rendered by the Executives, Staff and Workmen of the Company.

Place : Bhopal
Date : 30.05.2013

For and on behalf of the Board
C E Fernandes
Chairman & Managing Director

ANNEXURE A

Annexure to Directors' Report for the year ended 31st March, 2013

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY :

a. Measures Taken :

Consumption of power in the year 2012-13 decreased due to decreased load for Heat Treatment, Shop Run Test and overall production. However, consumption of electricity per M.T. of Heat Exchangers increased significantly to 122.10 kwh as compared to 77.91 kwh in the previous year. This is mainly because low production load at same infrastructure. Mean while company has undertaken following measures to optimize the consumption of power :

- i) Optimizing load in Heat Treatment furnace.
 - ii) Reduction in use of material handling equipments and saving of fuel by improving over all plant layout.
 - iii) Strict vigil on Power, Light and Air conditioning load.
 - iv) Optimizing power factor by introducing additional capacitors.
 - v) Reduction in daily running time of ACs along with switching off lights and ACs during lunch break.
- b. Additional Investments and proposals, if any for reduction in consumption of energy – Induction of servo voltage stabilizer is proposed for getting quality power.
- c. Impact of a & b - Saving in Light & Power Load
- d. Total energy consumption - As per Form – A below

FORM- A POWER & FUEL CONSUMPTION

	Year Ended 31.03.2013	Year Ended 31.03.2012
(a) Purchased		
Unit-Kwh	1078500	2010580
Total Amount (Rs)	9165605	12732832
Rate/Unit (Rs)	8.50	6.33
(b) Own Generation		
Through Diesel Unit-Kwh	3768	17040
Cost/Unit (variable) Rs.	23.83	21.91
Consumption per M.T. of Heat Exchangers Electricity – Kwh	122.10	77.91

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/intangible assets under development.

2. Foreign Exchange Earnings & Outgo

Details of foreign exchange earnings and outgo for the year are given under Notes 24.3 and 24.4.

Management discussion and analysis report

1. Economic overview

The post-2009 recovery in the world economy was hampered by the Eurozone crisis. Growth rates were lower than anticipated across most regions - USA 1.7%, Eurozone 0.7%, Japan 0.2% and emerging/ developing economies 5.6%.

Indian economy was also impacted, exports were badly hit and domestic demand also declined. The country's growth rate slowed down (around 6.9%), but remained above the world average. The economy is expected to revive and grow in the coming years.

2. Industry Structure and Developments

The industrial production is an important indication of GDP growth in a developing economy like India. The core sector comprising six major industries - crude oil, petroleum refinery products, coal, electricity, cement and steel and having 26.68 percentage weight in the Index of Industrial Production (IIP), represents the industries we cater to. In the year 2010-11, the core sector posted a growth of 2.8% as compared to 1% in the previous year 2012-13. The long term outlook for the engineering and capital goods industry in which the Company operates continues to remain positive.

3. Opportunities

Infrastructure investment has grown rapidly in India over the past few years and the government plans to double the outlay on this sector from USD 500 billion in the five years ending 2011-12 to USD 1 trillion in the next five years. Private participation is expected to be around half of the total investment.

India is the world's fifth biggest energy consumer and KPMG's Oil & Natural Gas Overview, 2010 predicts rising demand. At present, the country accounts for only 4% of global energy consumption though it has over 17% of global population. The resultant increased demand for power is expected to be met by a combination of Thermal, Nuclear, Solar and other plants as well as increased activity in the Oil & Gas sector.

Oil & Gas sector

Public and private sectors have aggressive exploration plans. ONGC aims to spend Rs. 2.65 trillion during the 12th Plan period; Oil India Ltd around Rs. 190 billion over the next five years and Cairn India Ltd plans to spend about Rs. 110 billion over the next two years for expanding its oil and gas exploration business. In addition, refinery capacity is expected to grow from around 193.5 mtpa to 310.9 mtpa by 2016-17.

Nuclear Energy sector

During the 12th Plan period (2012-17), the aim is to add approximately 5,300 MW of nuclear power capacity, to reach an overall level of just under 10,000 MW. Nuclear Power Corporation of India Ltd (NPCIL) is expected to launch 16 reactors at an outlay of \$40 billion.

Power sector

As per the Planning Commission "Robust and consistent investments in the power sector are expected to guide the target of \$1 trillion investment in infrastructure for 2012-17. Power sector investments will guide the entire target. The total investment in the power sector itself, including generation work in progress, will be around \$300 billion."

GEI, through its innovative offerings is well positioned to benefit from the emerging opportunities in the energy sector as mentioned above. The Company has enhanced its product and service offerings through technology tie up with Innospin AG of Switzerland and will continue to target specific industrial segments having high growth potential as well as pursue opportunities in key global markets.

4. Threats / Challenges

Business prospects from infrastructure, Oil & Gas, Power sectors etc. are to a large extent linked to the Government policy initiatives and major policy shift, if any, may impact the Company. Competition from overseas players and absence of level playing field may pose challenges for the Company. Also rising commodity prices and general inflation may have bearing on the operations of the Company. However, the Company backed by its technological and operational capabilities is fully geared to navigate through these challenges successfully.

5. Risks and Concerns

Your Company is aware of the risks and concerns likely to affect its operations such as political and economic disturbances in the form of structural changes, policies and procedures or unexpected economic down turn etc. In order to be in a state of constant preparedness to face risks, the Company has identified key risks and the remedial actions to be initiated on their emergence through a well documented procedure. The risk management system is critically evaluated on a continuous basis and changes are made considering the dynamics of the industry, markets and the prevailing economic situation.

6. Internal Control Systems

Your Company has a separate internal audit department headed by a qualified professional that is responsible for internal control systems and their adequacy. The Company has well researched and documented system to ensure adherence to standard policies and procedures of the Company in all its operations and functional areas.

Internal audits are conducted at regular intervals across the organisation and the reports are placed before the Audit Committee of the Board of Directors. Significant findings are discussed and appropriate action taken thereon, with a focus on continuous improvement.

7. Human Resources

- The most important aspect of the Company's business is its emphasis on human resources as the core of its operations. The emphasis on employees' pivotal position in the organisation manifests itself in various forms such as employee engagement, evaluation, training & development, rewards, welfare schemes etc. This harmonious integration of management thinking and employee response has ensured that the industrial relations remained cordial throughout the Company's existence, an achievement the management is quite proud of.

8. 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.

C E Fernandes
Chairman & Managing Director

Report On Corporate Governance for the Year Ended 31st March, 2013

(In compliance with clause 49 of the Listing Agreement with the Stock Exchanges)

1. Company's Philosophy on Corporate Governance

GEI Industrial Systems Ltd (GEI or the Company) is committed to the espousal of best governance practices and its adherence in true spirit across the Company. Corporate Governance is the ideology of transparency and openness in the effective working of the Management and the Board. The essence of Corporate Governance is not merely in drafting a code of conduct but following the 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 viz., shareholders, lenders, creditors and employees.

2. Board of Directors (Board)

2.1 Composition of Board

As on 31st March, 2013 the Board consists of 10 Directors, of whom 5 are Independent. The Chairman of the Board is an Executive Director.

The present composition and category of Directors are as under:

Name	Category	No. of Board Meetings held	No. of Board Meetings Attended	No. of Directorships in other Public Ltd. Companies	No. of Chairmanship of Committees	No. of Committee Memberships	Whether attended the last AGM
Mr. C E Fernandes	Promoter & Executive	7	7	1	2	3	Yes
Mr. Bernard John	Promoter & Executive	7	7	-	-	3	Yes
Mr. Pannalal Mundhra	Promoter & Executive	7	2	1	-	-	No
Mr. Robinson Fernandez	Executive	7	7	1	-	2	Yes
Mr. S.C. Duggal	NEID	7	2	2	2	4	No
Mr. Vijay Khanna	NEID	7	3	-	1	3	No
Dr. Sudarshan Singh	NEID	7	2	-	-	2	No
Mr. K. Nandakumar	NEID	7	-	1	-	-	No
Mr. Sanjiv Singhal	NEID	7	-	1	-	-	No
Mr. Ajitha Kumar*	Executive	1	1	1	-	-	No
Mr. D. Laxminarayan**	Executive	3	3	-	-	2	Yes
Mr. Bharat Banka***	NEID	4	-	1	-	-	No

*Inducted w.e.f 14.02.2013 as Nominee Director

** Retired by rotation w.e.f. 29.09.2012.

** Resigned w.e.f 01.11.2012

NEID: Non-Executive Independent Director

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees, across all the Companies in which he/she is a Director.

The necessary disclosures regarding Committee positions have been made by the Directors.

2.2 Code of Conduct

The Board has laid down a Code of Conduct for all the Board members and senior management of the Company. All the Board Members and senior management have affirmed compliance with the code.

2.3 Board Meetings / Board Procedure

The Board met 7 times during the year on 14th May 2012, 14th August 2012, 3rd September 2012, 10th November 2012, 12th November 2012, 23rd November 2012 and 14th February 2013 and the gap between two Board meetings did not exceed four months. The meetings are usually held at Mumbai or Bhopal. The agenda for the Board meetings is generally circulated 7-10 days before the meeting containing relevant information so as to enable the Directors to be well prepared and contribute effectively in taking considered decisions. The Board periodically reviews compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non compliances, if any. The following information is made available to the Board:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the Company and its operating divisions or business segments.
4. Minutes of meetings of Audit Committee and other committees of the Board.
5. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the Company, or substantial nonpayment for goods sold by the Company.
9. Any issue, which involves possible public or product liability, claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of any joint venture or collaboration agreements.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
13. Sale of material nature of investments, subsidiaries, assets which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risk of adverse exchange rate movement, if any.
15. Non compliance of any regulatory, statutory or listing requirement and shareholders service such as non-payment of dividend, delay in share transfer etc.

3. Audit Committee

3.1. Composition of Audit Committee

The Audit Committee comprises of 4 Directors out of which 3 are Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director and was not present at the last Annual General Meeting.

All the members of this Committee have knowledge in finance and accounts. The Company Secretary acts as Secretary to the Committee. The Audit Committee also invites such other Executives of the Company as it considers appropriate to be present at its meetings. During the year, the Audit Committee met six times on 14th May 2012, 4th August 2012, 14th August 2012, 1st September 2012, 9th November 2012 and 13th February 2013 and not more than four months elapsed between two meetings. The particulars of members and their attendance at the meetings are given below:

Name of Director	Category	No. of Meetings held	No. of Meetings Attended
Mr. S C Duggal, Chairman	Non Executive Independent Director	6	6
Mr. Vijay Khanna, Member	Non Executive Independent Director	6	5
Dr. Sudarshan Singhla, Member	Non Executive Independent Director	6	4
Mr. C E Fernandes, Member	Chairman & Managing Director	6	6

3.2 Powers of Audit Committee

The Audit Committee shall have powers including the following :

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

3.3 Role of Audit Committee

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

3.4 Review of information by Audit Committee

The Audit Committee reviews the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions, submitted by the Management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal Audit Reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Internal Auditor.

4. Shareholders' / Investors' Grievance Committee

4.1 Composition, Meetings and Attendance

The Committee comprises of 2 Non-Executive Independent Directors. The Committee met four times on 14th May 2012, 14th August 2012, 9th November 2012 and 13th February 2013 during the year. The particulars of members and their attendance at the meeting are given below:

Name of Member	Category	No. of Meetings held	No. of Meetings Attended
Mr. S C Duggal, Chairman	Non Executive Independent Director	4	4
Mr. Vijay Khanna, Member	Non Executive Independent Director	4	4

The Company Secretary acts as the Compliance officer and regularly interacts with the Registrar and Share Transfer Agents (RTA) to ensure that the complaints / grievances of the shareholders / investors are attended to without delay and where deemed expedient, the complaints are referred to the Chairman of the Committee or discussed at its meetings for resolution.

4.2 Broad Terms of Reference

The Committee examines and redresses the complaints and grievances of the shareholders / investors of the Company such as transfer of shares, transmission, dematerialization of shares, loss or issuance of duplicate share certificates, non receipt of annual report, dividend warrant etc.

The Committee looks into matters which can facilitate / smoothen investor services and relations. It also examines and recommends to the Board about the appointment / removal of RTA and fees payable to them.

4.3 Details of Shareholder Complaints

The Complaints received during the year are summarized as follows:

Nature of Complaint	Received	Resolved	Pending as on 31.03.2013
Non receipt of share certificate duly transferred / Dividend Warrants	15	15	Nil
Miscellaneous	2	2	Nil
Letters from SEBI/Stock Exchanges/Ministry of Corporate Affairs	1	1	Nil

4.4 Compliance Officer

Name of the Compliance Officer	Mr. Sudeep Jain Company Secretary
Address	26/A, Industrial Area, Govindpura, Bhopal – 462 023 (M.P.)
Telephone	0755-2586691
E-mail	cs@geiind.com
Fax	0755-2587678
Designated E-mail Id for investor grievances	cs@geiind.com

5. Remuneration Committee

5.1 Composition, Meetings and Attendance

The Remuneration Committee comprises of 4 Directors of whom 3 are Non Executive Independent Directors. Mr. Vijay Khanna, a Non Executive Independent Director, is the Chairman of this Committee. The other members are Mr. S.C. Duggal, Dr. Sudarshan Synghal and Mr. Bernard John.

5.2 Remuneration Policy

The Committee has the powers to determine and recommend to the Board the amount of remuneration, including performance linked bonus, commission and perquisites, payable to the Executive Directors of the Company. The recommendations of the Committee are based on the evaluation of the performance of Executive Directors on certain parameters laid down by Board of Directors as part of the Company policy. The Company ensures that the remuneration payable to the Executive Directors by way of salary including other allowances and monetary value of perquisites should be within the overall limit as specified under the Companies Act, 1956 / Central Government Approval and approved by the Shareholders.

5.3 Terms of Reference

1. To review, assess and recommend the appointment of Whole Time Directors.
2. To periodically review the remuneration package of Whole Time Directors and recommend suitable revision(s) to the Board.

6. Remuneration to Directors

6.1 Remuneration paid to Executive Directors

The details of remuneration paid to the Executive Directors for the financial year 2012-13 are as follows:

(Rs. In lacs)

Name of the Directors	Salary	Perquisites	Leave Encashment	Total
Mr. C E Fernandes	47.16	0.84	-	48.00
Mr. P. L. Mundhra	24.00	0.40	-	24.40
Mr. Bernard John	46.88	1.12	-	48.00
Mr. D. Laxminarayan	42.00	0.38	6.33	48.71
Mr. Robinson Fernandez	12.50	2.91	0.33	15.74
Total	207.93	6.19	6.66	220.78

6.2 Remuneration paid to Non-Executive Independent Directors

The Non-Executive Independent Directors are paid sitting fees for attending each meeting of Board of Directors and Committee(s) thereof. The details of sitting fees paid for the financial year ended 31st March 2013 are as follows:

(Rs. In lacs)

Name of the Non Executive Independent Director	Sitting Fees
Mr. S C Duggal	0.16
Mr. Vijay Khanna	0.24
Dr. Sudarshan Synghal	0.16
Mr. Ajitha Kumar	0.08
Total	0.64

7. General Body Meetings

The details of Annual General Meetings and Extra Ordinary General Meetings held during the last three years are given below:

Year	Date	Venue	Time	Meeting
2009-10	14th July 2009	26/A, Industrial Area, Govindpura, Bhopal - 462 023 (M.P.)	04.30 P.M.	EGM
	30th September 2010		04.00 P.M.	AGM
2010-11	28th February 2011		04.00 P.M.	EGM
	30th September 2011		04.00 P.M.	AGM
2011-12	29th September 2012		04.00 P.M.	AGM

Special Resolutions passed in the previous 3 years (AGMs / EGMs / Postal Ballots)

Meeting	Resolution
Annual General Meeting on 30.09.2010	<ul style="list-style-type: none"> Amendment in Articles of Association. Authority for raising resources under section 81(1A).
Extra-ordinary General Meeting on 28.02.2011	<ul style="list-style-type: none"> Increase in authorised share capital from Rs. 23 Crores to Rs. 90 Crores and related amendments to be made in Memorandum of Association and Articles of Association. Consent for issue and allotment of 25,54,668, 5% Cumulative Convertible Preference Shares of Rs. 250 each to Aditya Birla Private Equity – Fund I (25,00,000 CCPS) and BanyanTree Growth Capital LLC (54,668 CCPS) on Preferential basis and allotment of 5,00,000 warrants of Rs. 250 each to Mr. C E Fernandes (Promoter)
Annual General Meeting on 30.09.2011	<ul style="list-style-type: none"> Reappointment of Mr. C E Fernandes, Chairman & Managing Director, for a period of three years w.e.f 01.04.2011. Reappointment of Mr. Bernard John, Joint Managing Director, for a period of three years w.e.f 01.04.2011. Reappointment of Mr. D. Laxminarayan, Executive Director, for a period of three years w.e.f 01.04.2011. Reappointment of Mrs. Everlyn Fernandes, Whole Time Director, for a period of three years w.e.f 01.04.2011. Reappointment of Mr. Pannalal Mundhra, Whole Time Director, for a period of three years w.e.f 01.04.2011. Authority for raising resources under section 81(1A).
Passed through Postal Ballot vide Notice dt. 08.02.2012	<ul style="list-style-type: none"> Increase in the limits upto Rs. 1000 Crores for Loans / Investments / Corporate Guarantees under section 372A of the Companies Act, 1956.
Annual General Meeting on 29.09.2012	<ul style="list-style-type: none"> Appointment of Mr. Robinson Fernandez as Director of the Company w.e.f 10.11.2011

8. Disclosures

8.1 Disclosure on materially significant related party transactions

There were no materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management or relatives, their Subsidiaries, Associates etc. that conflict with the interests of the Company. Transactions with related parties are disclosed under Note 27 -Related Party Transactions.

8.2 Disclosure of non-compliance by the Company

No penalty or strictures have been imposed on the Company by the Stock Exchanges.

8.3 Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established necessary mechanism for employees to report concerns about unethical behaviour. No person was denied access to the Audit Committee.

8.4 Details of Compliance with mandatory requirements and Adoption of non-mandatory requirements

A. Mandatory Requirements

The Company has complied with all the applicable provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

B. Non Mandatory Requirements

The status of compliance with non mandatory requirements is as follows :

a) Non Executive Chairman's Office

The Company has Executive Chairman and hence the above requirement is not applicable to the Company.

b) Remuneration Committee

The Company has constituted a Remuneration Committee and the necessary details have been mentioned in para 5 of this report.

c) Shareholder's rights

At present half yearly declaration of financial performance is not being sent to the shareholders; however the same is published in newspapers in English and Hindi, circulated from Mumbai/Bhopal and also uploaded on the Company's website.

d) Audit Qualifications

The Company has adopted measures to move towards regime of unqualified financial statements.

e) Training of Board Members

The Board of Directors of the Company comprises of eminent professionals having wide experience in the industry, economy, banking, finance, engineering etc. During the Board meetings, they are briefed about the business model of the Company, their responsibilities as Directors etc.

f) Mechanism for evaluating Non Executive Board Members

Considering the rich experience of the Board members and their in depth knowledge on various issues, the Company has not found it necessary to implement any mechanism for evaluating Non Executive Board members.

9. 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 viz. The Economic Times, Nav Bharat Times, Business Bhaskar, Free Press Journal, The Hindu Business Line, Mumbai Lakshdeep etc. The Company displays the financial results and material information on its website – www.geiind.com. The Company also has an exclusive e-mail - cs@geiind.com, for investors to contact the Company for any information/ grievances.

10. General Shareholder Information

Annual General Meeting

Date & Time	:	30th September, 2013 at 4.00 P.M.
Venue	:	Registered office of the Company at 26/A, Industrial Area, Govindpura, Bhopal - 462 023 (M.P.)
Book Closure	:	22nd Sept. 2013 to 30th Sept. 2013 (Both days inclusive)
Financial Calendar (Tentative)	:	1st April, 2013 to 31st March, 2014
First Quarter Result	:	Second week of August, 2013
Second Quarter Result	:	Last week of October, 2013
Third Quarter Result	:	Last week of January, 2014
Fourth Quarter Result	:	Second week of May, 2014

Listing on Stock Exchanges

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

Equity

Stock Code / Symbol	:	BSE - 530743 NSE - GEINDSYS
ISIN No.	:	INE599B01011
The Company has paid the listing fees for the year 2013 - 14 to the Stock Exchanges.		

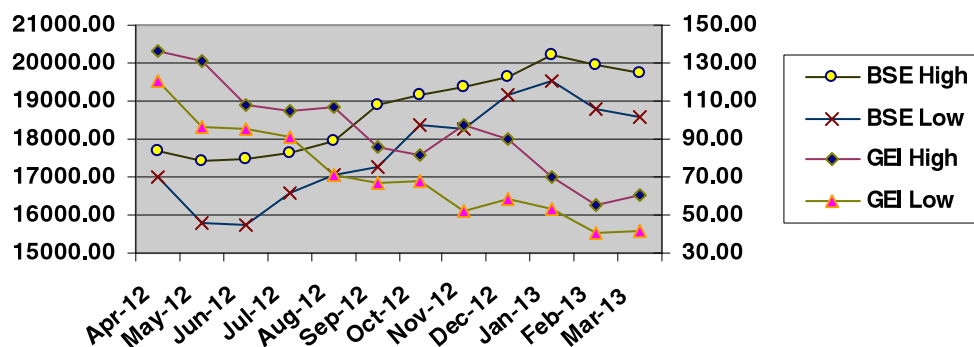
Market Price Data

The monthly high and low market price of the shares with volume at the Stock Exchanges during the financial year 2012-13 is as under:

(A) BOMBAY STOCK EXCHANGE LTD

Period (2012-2013)	High	Low	Volume of Shares Traded
Apr-12	135.80	120.50	1,44,176
May-12	130.85	96.65	1,58,299
Jun-12	107.80	95.00	95,771
Jul-12	104.75	91.00	93,151
Aug-12	106.75	71.50	1,07,543
Sep-12	85.70	67.30	1,28,373
Oct-12	82.00	67.90	65,692
Nov-12	97.55	52.50	9,05,377
Dec-12	90.25	58.70	4,13,131
Jan-13	69.90	52.80	67,552
Feb-13	55.70	40.60	65,441
Mar-13	61.00	41.80	93,430

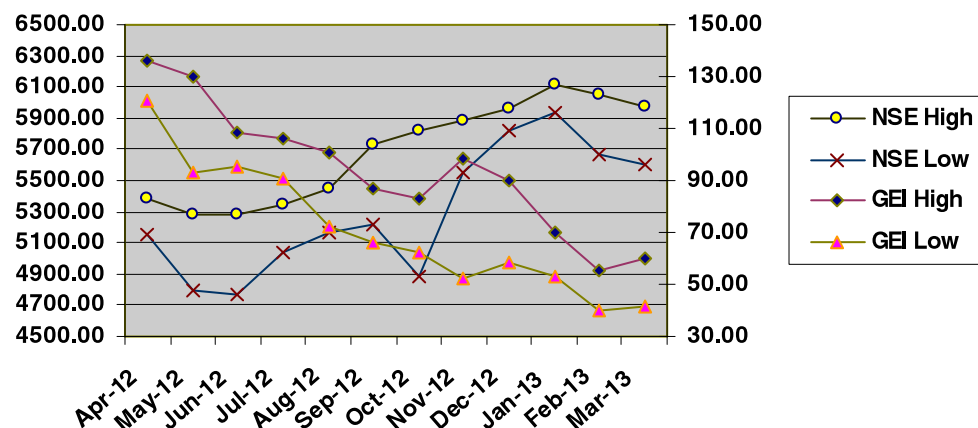
COMPARATIVE PRICE CHART - GEI V/S BSE SENSEX



(B) NATIONAL STOCK EXCHANGE OF INDIA LTD

Period (2012-2013)	High	Low	Volume of Shares Traded
Apr-12	136.00	120.85	101,412
May-12	130.00	92.75	144,458
Jun-12	108.70	95.75	54,814
Jul-12	106.00	91.00	100,458
Aug-12	101.00	72.00	93,561
Sep-12	87.00	66.10	168,039
Oct-12	82.95	62.00	59,480
Nov-12	98.45	52.20	2,340,286
Dec-12	90.00	58.30	663,106
Jan-13	69.85	53.25	59,968
Feb-13	55.50	40.10	75,072
Mar-13	60.00	41.60	82,982

COMPARATIVE PRICE CHART - GEI V/S NSE NIFTY



Registrar and Share Transfer Agents

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
 Email ID : rnt.helpdesk@linkintime.co.in

Share Transfer System

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

Any query relating to share transfers, transmission and nomination facilities, duplicate share certificates, change of address, non-receipt of dividend/Annual Report, dematerialization of shares etc. are handled by the Registrar and Share Transfer Agents.

Shareholding Pattern as on 31.03.2013

Category	No. of Shares	Percentage
Indian Promoters	6884525	41.41
Mutual Funds/UTI/Banks/FIs	40592	0.24
Bodies Corporate	1244433	7.49
Indian Public	4812595	28.95
Non-Resident Indians, OCBs and Others	232602	1.40
Foreign Bodies Corporate	1661362	9.99
Foreign Institutional Investors	1703900	10.25
Clearing Members	44571	0.27
Total	16624580	100.00

Distribution of Shareholding as on 31.03.2013

Shareholding of		No. of	% of Total	No. of Shares	% of Total
Nominal Value of Rs.		Shareholders		held	
From	To				
1	5000	6963	85.99	1078859	6.49
5001	10000	537	6.63	445987	2.68
10001	20000	236	2.92	373541	2.25
20001	30000	96	1.19	250771	1.51
30001	40000	65	0.80	235370	1.41
40001	50000	52	0.64	250934	1.51
50001	100000	67	0.83	501364	3.02
100001	Above	81	1.00	13487754	81.13
	Total	8097	100.00	16624580	100.00

Dematerialization of shares as on 31.03.2013 and liquidity

95.49% of the Company's total paid up share capital representing 15874672 shares is 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.

The trading in Equity shares of the Company is permitted only in dematerialized form. The shareholders holding shares in physical form are advised to get their shares dematerialized taking into account the number of advantages of dematerialization. In case any assistance is required in this regard the shareholders are requested to approach the Registrar and Transfer Agent or the Company Secretary.

Outstanding GDRs / ADRs

The Company has not issued any GDRs/ADRs.

Plant Locations

Company's plant is located at Govindpura, Bhopal, (M.P.). The plant of its wholly owned subsidiary – GEI Power Limited is located at Mandideep, District - Raisen, near Bhopal.

Address for Correspondence

The Registered Office / Correspondence Address of the Company is given below:

GEI Industrial Systems Ltd
 26/A, Industrial Area, Govindpura,
 Bhopal – 462 023 (M.P.)
 Tel No. : 0755-2586691
 Fax No.: 0755-2587678
 Email : cs@geiind.com
 Contact person : Mr. Sudeep Jain, Company Secretary

The Management Discussion and Analysis Report forms part of the Annual Report. There were no material financial & commercial transactions where senior management had personal interest.

In respect of Directors being appointed or reappointed necessary information relating to them is being provided separately.

Details of Directors proposed to be reappointed / appointed

Name of Director	Date of Birth	No. of Shares held as on 31.03.2013	Date of First Appointment	Qualification	Experience & Expertise	Other Directorships
Mr. S C Duggal	28.09.1939	0	29.01.2004	Graduate in Science (Engineering - Mechanical)	50 year Experience in both Public & Private Sector	Lanco Group Limited GEI Power Limited
Mr. P L Mundhra	31.08.1933	635225	28.12.1993	Graduate in Business Management	Over 52 years Experience in Corporate Sector	Mallcom (India) Ltd
Mr. Ajitha Kumar	30.05.1967	0	14.02.2013	B.Tech, MBA, CAIIB	Over 23 years experience in various capacities. Presently working as Dy. General Manager (Project Appraisal Department) in IDBI Bank Ltd	GEI Power Limited

CEO Certification

We, C E Fernandes - Chairman & Managing Director 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, 2013 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.
- (iii)

(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.

C E Fernandes
Chairman & Managing Director

Place : Bhopal
Date : 30.05.2013

Declaration

To,
The Members,

GEI Industrial Systems Ltd

Sub : Declaration under Clause 49 of the Listing Agreement

I hereby declare that all the Directors and the Senior Management personnel have affirmed the compliance with the Code of Conduct for the year ended 31st March, 2013.

For GEI Industrial Systems Ltd

Place : Bhopal
Date : 30.05.2013

C E Fernandes
Chairman & Managing Director

Certificate of Corporate Governance

Certificate from Practising 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 2013 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 that generally no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' / Investors' 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.

Place: Indore
Dated: 30.05.2013

Varun Bhomia
Practising Company Secretary
CP No. 10561

Secretarial Compliance Certificate

CIN: L28112MP1993PLC008029

Nominal Capital: Rs. 90 Crores

The Board of Directors,
GEI Industrial Systems Ltd,
26/A, Industrial Area, Govindpura,
Bhopal – 462023 (M.P.).

We have examined the registers, records and documents of GEI Industrial Systems Ltd., ("the Company") for the financial year ended on March 31, 2013 according to the provisions of-

1. The Companies Act, 1956 and the Rules made under that Act;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA'), the Rules made under that Act;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
4. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
5. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
6. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
7. The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited and Debt Listing Agreement with BSE Limited.
8. The Regulations and Guidelines prescribed under Securities & Exchange Board of India (SEBI Act, 1992);
9. The Foreign Exchange Management Act 1999 and the Rules and Regulations made under the Act to the extent applicable to overseas Direct Investment (ODI), Foreign Direct Investment, (FDI) and External Commercial Borrowings (ECB):

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 consists of 10 Directors. During the year under review, the Board had met 7 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. Ajitha Kumar as a nominee of IDBI Bank Ltd, at its Board Meeting held on 14.02.2013. Mr. D. Laxminarayan retired from the Board w.e.f. 29.09.2012 and Mr. Bharat Banka resigned from the Board w.e.f. 01.11.2012. The reappointment of other directors who retired by rotation during the period under review at the Annual General Meeting has been made in accordance with the requirement of the Act.
4. The Annual General Meeting for the year 2011-12 was held on 29th September, 2012. The minutes have been entered in the minutes book maintained for the purpose.
5. The Company has not passed resolutions 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 met 6 times during the year under review.
 - Shareholders' / Investors' Grievance Committee: The Committee held 4 meetings during the year under review.

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. During the year under review, no dividend was declared. During the year, no amount of unpaid / unclaimed dividends and other amounts is due for transfer to IEPF. The Company had also closed the Register of Members and Transfer Books and complied with the relevant provisions.
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, 2013.
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 made by way of equity shares in other Companies during the financial year ended 31st March, 2012. 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 Accounts 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, 2011 as amended from time to time.
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.

Place: Indore
Dated: 30.05.2013

Varun Bhomia
Practicing Company Secretary
CP No. 10561

INDEPENDENT AUDITOR'S REPORT

To The Members of,
GEI Industrial Systems Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **GEI Industrial Systems Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) 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;
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
- (e) On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act;
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **A.K. Khabya & Co.**
Chartered Accountants
Firm Reg. No. 001994C

Place : Bhopal
Date : 30th May, 2013

CA. M.N.G. PILLAI
Partner
M.No.74051

**Annexure as referred to in paragraph 3 of our report of even date of GEI Industrial Systems Limited on
the Accounts for the year ended on 31st March, 2013**

- (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 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. *Inventory of work in progress, obsolete material and project have been determined certified by the management and incorporated in the accounts as such.*
- (iii) (a) 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. Hence provisions of Clause (iii) (b), (c) and (d) of Paragraph 4 are not applicable to the Company.

(b) The company has taken unsecured loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. In respect of the said loans, the maximum amount outstanding at any time during the year and the year end balance was 71752027/-.

(c) 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 taken by the company are not, prima facie, prejudicial to the interest of the company.

(d) Wherever stipulated the company has been regular in the payment of principal amount and interest.
- (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) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of 500000/- in respect of each party during the year have been made at prices which appear 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) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the accounts and records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate and complete.

- (ix) (a) According to the records of the company, undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty cess and other material statutory dues applicable to it have been generally deposited with the appropriate authority. According to the information and explanations given to us, undisputed amounts payable in respect of aforesaid dues were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable as under:-

Nature of Liability	Period	Amount
ESI	September, 2012	256743.00
Provident Fund	September, 2012	1914318.00
TDS (Deducted) on various heads)	Upto September, 2012	9693146.00
Professional Tax (Employees)	Upto September 2012	536756.00
Excise Duty	Upto September, 2012	18729944.00
Export Tax	January to March, 2012 April to June, 2012 July to September, 2012	954451.00 486356.00 219934.00
Entry Tax	October to December, 2011 January to March, 2012 April to June, 2012 July to September, 2012	3593965.00 6842793.00 2744248.00 2372105.00

- (b) According to the information and explanations given to us, the following are the particulars of statutory dues as at 31st March, 2013 not deposited on account of a dispute pending:

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	1747280	2006-2007	Board of Revenue, Bhopal
Sales Tax Law	Central Sales Tax	839541	2007-2008	Board of Revenue, Bhopal
Sales Tax Law	Central Sales Tax	4135024	2008-09	Board of Revenue, Bhopal
Sales Tax Law	Central Sales Tax	166859	2009-10	Board of Revenue, Bhopal
Income Tax Act	Income Tax Demand	15723813	2007-08	Commissioner of Income Tax

- (x) The company has accumulated losses at the end of the financial year. The company has incurred cash losses during the financial year covered by our audit but not 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 **except Rs.280489892.39 of CITI Bank (Unsecured Loan) and Rs.37165626/- of HSBC Ltd(Unsecured Loan Rs.22400000/- and Rs.14765626/- Current Liabilities).**
- (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 given corporate guarantee for loans taken by subsidiary company from banks or financial institutions. In our opinion, the terms and conditions on which the company has given such guarantees are not prejudicial to the interest of the company.
- (xvi) The Company has not raised any new term loans during the year and accordingly paragraph 4(xvi) of the Order is not applicable.
- (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 made preferential allotment of shares on conversion of warrants during the year to parties and companies covered in the register maintained under section 301 of the Act and in our opinion the price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The company has not issued any debentures and therefore paragraph 4(xix) of the Order is not applicable.
- (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
Firm Reg. No. 001994C

Place : Bhopal
Date : 30th May, 2013

CA. M.N.G. PILLAI
Partner
M.No.74051

CASH FLOW STATEMENT FOR THE YEAR 2012-13

	PARTICULARS	2012-13	2011-12
1	Net Profit after tax & extra-ordinary items	(484273404)	841018
	Adjustment for :		
2	Depreciation	30076342	25507230
3	Finance Cost	368888829	376043205
4	Interest earned	(11856923)	(29795271)
5	Profit on sale of Investment		
6	Loss on sale of Fixed Assets	626424	54201
	Operating Profit before Working Capital Charges	(96538732)	372650384
	Adjustment for :		
7	Trade and other receivables	411735961	(352292804)
8	Inventories	360723245	(333572017)
9	Trade Payables	(495580175)	222462677
10	Cash generated from operations	180340299	(90751760)
11	Direct Taxes Paid	(145903)	(4972203)
13	Prior Period Adjustments		
	NET CASH FROM OPERATING ACTIVITIES [A]	180194396	(95723963)
12	Cash flow from Investment Activities		
13	Purchased of Fixed Assets	(146702070)	(191569042)
14	Sale of Fixed Assets	450000	657000
15	Purchase of Investments	(250000)	6193917
	NET CASH USED IN INVESTMENT ACTIVITIES [B]	(146502070)	(184718125)
	Cash flow from Financing Activities		
16	Proceeds from issue of Share Capital including share Premium	83750000	2250000
17	Dividends Paid	(899383)	(29750037)
18	Borrowals - short Term	272499133	322247112
19	Repayment of Borrowals	(17788642)	(234736879)
20	Deferred Liabilities	(37200000)	1000000
21	Interest Paid	(368888829)	(376043205)
22	Interest Received	11856923	29795271
	NET CASH USED IN FINANCE ACTIVITIES [C]	(56670797)	(285237738)
	Net Increase in cash and cash equivalents (A + B + C)	(22978471)	(565679826)
	Cash and cash equivalents (Opening)	150677241	716357068
	Cash and cash equivalents (Closing)	127698768	150677241
		(22978471)	(565679826)
		0	(0)

C E Fernandes
Chairman & Managing Director

Bernard John
Joint Managing Director

As per our report of even date
For A K KHABYA & CO.
Chartered Accountants
FRNo. 001994C

PLACE : BHOPAL
DATE : 30/05/2013

M.N G PILLAI
Partner
M. No. 074051

GEI INDUSTRIAL SYSTEMS LTD
AUDITED BALANCE SHEET AS AT 31st MARCH, 2013

		AS AT		AS AT	
NOTES		31ST MARCH 2013		31ST MARCH 2012	
Shareholders' Funds		(Amount in Rs.)		(Amount in Rs.)	
Share Capital	1	196,792,480		814,912,800	
Reserves And Surplus	2	1,256,607,829	1,453,400,309	1,012,116,290	1,827,029,090
Warrant Application Money Pending Allotment			-		31,250,000
Share Application Money Pending Allotment				-	
Non-Current Liabilities					
Long Term Borrowings	3	88,182,908		164,739,083	
Deferred Tax Liabilities (net)	4	-	88,182,908	37,200,000	201,939,083
Current Liabilities					
Short Term Borrowings	5	1,842,745,242		1,570,246,109	
Trade Payables	6	387,440,930		883,021,105	
Other Current Liabilities	7	542,762,744		465,626,097	
Short Term Provision	8	-	2,772,948,916	18,369,113	2,937,262,425
TOTAL			4,314,532,133		4,997,480,598
ASSETS					
Non-Current Assets					
Fixed Assets	9				
Tangible Assets		700,005,991		451,492,750	
Intangible Assets		41,615,229		7,081,944	
Capital Work in Progress		7,124,733		176,537,744	
			748,745,953	-	635,112,438
Non-Current Investment	10	266,547,508		266,297,508	
Long Term Loans And Advances		-	266,547,508	-	266,297,508
Current Assets					
Current Investments	11	497,316		497,316	
Inventories	12	1,594,959,553		1,955,682,798	
Trade Receivables	13	1,354,219,432		1,683,850,901	
Cash And Bank Balances	14	127,698,768		150,677,241	
Short Term Loans / Advances	15	198,458,476		212,238,162	
Other Currents Assets	16	23,405,127	3,299,238,672	91,729,933	4,094,676,351
Miscellaneous Expenditure (to the extent not written off or adjusted)			-		1,394,301
TOTAL			4,314,532,133		4,997,480,598
Significant Accounting Policies	A to P				
Notes On Financial Statements	1 to 28				
For and on behalf of the Board of Directors					
C E Fernandes Chairman & Managing Director		Bernard John Joint Managing Director			
As per our report of even date For A K KHABYA & CO. Chartered Accountants FRNo. 001994C					
PLACE : BHOPAL		M.N G PILLAI			
DATE : 30-05-2013		Partner M. No. 07405			

GEI INDUSTRIAL SYSTEMS LTD (CONSOLIDATED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	NOTES	(Amount in Rs.) AS AT 31 st March, 2013	(Amount in Rs.) AS AT 31 st March, 2012
INCOME			
Revenue From Operations	17	1569557863	3849262313
Other Income	18	34987745	103587758
Total Revenue		1604545608	3952850071
EXPENDITURE:			
Cost Of Materials Consumed	19.a	786487037	2465111879
Changes In Inventories of Finished Goods, Work-In-Progress and Stock In-Trade	20	244404000	(245731519)
Employee Benefits / Expenses	21	271315072	346962355
Finance Costs	22	502567140	495253619
Depreciation And Amortisations Expenses	23	58963498	43863834
Other Expenses	24	379726149	814969165
Total Expenses		2,243,462,896	3,920,429,333
Profit Before Tax		(638,917,288)	32,420,738
Provision for Tax Expenses			
Tax expense for current year			9,148,000
Deferred Income Tax		(56,500,000)	8,500,000
Tax expense relating to prior years		3,395,503	12,106,924
Profit For The Year		(585,812,791)	2,665,814
Earnings Per Equity Shares of Face Value of Rs.10 each			
Basic	25	(33.03)	(2.00)
Diluted		(33.03)	0.07
Significant Accounting Policies	A to C		
Notes on Financial statements	1 to 29		

C E Fernandes
Chairman & Managing Director

Bernard John
Joint Managing Director
As per our report of even date
For A K KHABYA & CO.
Chartered Accountants
FRNo. 001994C

PLACE : BHOPAL
DATE : 30-05-2013

M.N G PILLAI
Partner
M. No. 074051

GEI INDUSTRIAL SYSTEMS LTD
STATEMENT OF AUDITED PROFIT AND LOSS FOR THE YEAR ENDED 31st March , 2013

	NOTES	2012-13 (Amount in Rs.)	2011-2012 (Amount in Rs.)
INCOME			
Revenue From Operations	17	1,656,643,809	3,615,047,863
Other Income	18	12,272,485	29,915,796
Total Revenue		1,668,916,294	3,644,963,659
EXPENDITURE:			
Cost Of Materials Consumed	19.a	979,749,948	2,501,769,631
Changes In Inventories of Finished Goods, Work-In-Progress and Stock In-Trade	19.b	235902000	(143217200)
Employee Benefits / Expenses	20	211,187,671	281,669,172
Finance Costs	21	368,888,829	376,043,205
Depreciation And Amortisations Expenses	22	30,076,342	25,507,230
Other Expenses	23	361,189,404	582,600,768
Total Expenses		2,186,994,194	3,624,372,806
Profit Before Tax		(518,077,901)	20,590,852
Provision for Tax Expenses			
Tax expense for current year			6,650,000
Deferred Income Tax		(37,200,000)	1,000,000
Tax expense relating to prior years		3,395,503	12,099,834
Profit For The Year		(484,273,404)	841,018
Earnings Per Equity Shares of Face Value of Rs.10 each			
Basic	25	(27.31)	(0.24)
Diluted		(27.31)	(0.24)
Significant Accounting Policies	A to P		
Notes on Financial statements	1 to 28		

C E Fernandes
Chairman & Managing Director

Bernard John
Joint Managing Director
For A K KHABYA & CO.
Chartered Accountants
FRNo. 001994C

PLACE : BHOPAL
DATE : 30-05-2013

M.N G PILLAI
Partner
M. No. 074051

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements have been prepared as of a going concern on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates, if any, are recognised in the period in which the results are known/materialized.

C. Fixed Assets

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production/ upto the date the asset is put to use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised. The gross block of fixed assets includes Rs.132549291 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.

D. Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion. All costs, including costs till commencement of commercial production net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised.

E. Depreciation and Amortisation

Depreciation on fixed assets is provided to the extent of depreciable amount on written Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on intangible assets and software is provided @ 10% on Straight Line Method and is amortized over a period of 10 Years.

F. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

G. Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- (c) Non monetary foreign currency items are carried at cost.
- (d) Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

H. Investment

Current investment are carried at cost . Long Term investments are stated at cost. Provision for diminution in the value of investments is made only if such a decline is other than temporary.

I. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Scrap material is valued at net realisable value.

Work in Progress

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

J. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes sale of goods, services, sales tax, service tax and excise duty adjusted for discount (net) and Value Added Tax (VAT). Dividend income is recognised when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable or as certified by financial institution.

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

K. Employee Benefits

- (i) Short-term employee benefites are recognised as an expenses at the undiscounted amount in the profit and loss account in the year in which the related service is rendered and as per the policy consistently followed by the Company.

- (ii) The gratuity liability in respect of employees of the company has been covered through LIC policy, the annual premium paid/ payable for such policy is accounted for as a revenue expenditure.

L. Claims by/against the Company

- (i) Claims for liquidated damages against the Company are recognised in accounts based on management's assessment of the probable outcomes with reference to the available information supplemented by experience of similar transactions.
- (ii) Claims for export incentives/duty drawbacks/duty refunds and insurance claims etc., if any, are taken into account on accrual basis.
- (iii) Amounts due in respect of price escalation claims and/or variation in contract work are recognised as revenue only when there are conditions in the contracts for such claims or variations and/or evidence of the acceptability of the same from customers. However, escalation is restricted to intrinsic value.

M. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to profit and loss account.

N. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that is a virtual certainty that the asset will be realised in future.

O. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

P. Deferred Revenue Expenses

Deferred Revenue Expenditures are amortized 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 account.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2013

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

1 SHARE CAPITAL	(Amount in Rs.)		(Amount in Rs.)	
	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
Authorised Share Capital:				
2,31,25,000 Equity Shares of Rs. 10 each	231,250,000		231,250,000	
30,00,000 (9%)Cumulative Redemable Preference Shares of Rs 10 each.	30,000,000		30,000,000	
25,55,000 (5%)Cumulative Convertible Preference Shares of Rs 250 each.	638,750,000		638,750,000	
	900,000,000		900,000,000	
Issued, Subscribed and Paid up:				
1,96,79,248 Equity Shares of Rs. 10/- each	196,792,480		166,245,800	
(9%) Cumulative Redemable Preference Share of Rs 10 each			10,000,000	
25,54,668 (5%)Cumulative Convertible Preference Shares of Rs 250 each.			638,667,000	
	196,792,480		814,912,800	
Warrant Application Money	-		31,250,000	

1.1 The details of shareholders holding more than 5% shares:

Name of Shareholder	No. of shares	% held	No. of shares	% held
Equity Shares				
Mr. Carnet Elias Fernandes	5,230,350	26.58	4,730,650	28.46
Aditya Birla Private Equity Fund I	2,500,000	12.70		
Banyantree Growth Capital LLC	1,716,030	8.72		
Preference Shares				
Aditya Birla Private Equity Fund I			2,500,000	97.86
Banyantree Growth Capital LLC			54,668	2.14

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

1.2 The reconciliation of the number of shares outstanding is set out below:

Particulars	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
	No. of shares		No. of shares	
Equity Shares of Rs. 10 each				
	31.03.2013		31.03.2012	
	No.	Rs.	No.	Rs.
At the beginning of the period	16,624,580	166,245,800	16,624,580	166,245,800
Issued during the period	3,054,668	30,546,680	-	-
Outstanding at the end of the period	19,679,248	196,792,480	16,624,580	166,245,800
(9%) Cumulative Redeemable Preference Shares of Rs.10 each				
	31st MARCH, 2013		31st MARCH, 2012	
	No.	Rs.	No.	Rs.
At the beginning of the period	1,000,000	10,000,000	2,000,000	20,000,000
Redeemed during the period	1,000,000	10,000,000	1,000,000	10,000,000
Outstanding at the end of the period	-	-	1,000,000	10,000,000
(5%) Cumulative Convertible Preference Shares of Rs.250 each				
	31st MARCH, 2013		31st MARCH, 2012	
	No.	Rs.	No.	Rs.
At the beginning of the period	2,554,668	638,667,000	-	-
Converted during the period	2,554,668	638,667,000	-	-
Outstanding at the end of the period	-	-	-	-

Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10 per share and are ranking pari-passu amongst them. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2013, the company has not declared any dividend on equity shares .

Terms of conversion of (5%) Cumulative Convertible Preference Shares

During the year ended 31st March 2013, 5% Cumulative Convertible Preference Shares (CCPs) of Rs. 250 each to Aditya Birla Private Equity - Fund I, managed by

Aditya Birla Capital Advisors Private Limited and 54,668 - 5% Cumulative Convertible Preference Shares of Rs. 250 each to Banyantree Growth Capital LLC which

are converted in to 25,54,668 Equity Shares of the Company of Rs. 10 each at a premium of Rs. 240 against each CCPs.

CCPs carry a dividend of 5% per annum, payable half yearly.

Terms of conversion of Warrants

During the year ended 31st March 2013, the Company issued 5,00,000 Equity shares of Rs. 10 each to Mr C E Fernandes at a premium of Rs 240/- per shares in conversion of 500000 warrants .

2 RESERVES AND SURPLUS

	(Amount in Rs.)		(Amount in Rs.)	
	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
General Reserve	25,675,000.00			
Less :- Transfer to Capital Redemption Reserve	10,000,000.00			
Add: Transferred from Profit & Loss Account		15,675,000	25,675,000	25,675,000
Securities Premium Account	380,126,910			
Add: Addition during the year	733,120,320	1,113,247,230		380,126,910
Revaluation Reserve				
As per last balance sheet	115,998,831		119,308,923	
Less : Transferred to Profit & loss Account	3,310,092	112,688,739	3,310,092	115,998,831
		1,241,610,969		521,800,741
Capital Redemption Reserve Account	20,000,000			
Transfer from General Reserve	10,000,000	30,000,000		20,000,000
Profit and Loss Account				
As per last Balance Sheet	470,315,549		549,871,771	
Less : Transferred to General Reserve			25,675,000	
Less : Transferred to Capital Redemption Reserve Account			20,000,000	
Total	470,315,549		504,196,771	
Dividend on Preference Shares	899,383		29,750,037	
Tax on Dividend	145,903		4,972,203	
Add: Profit for the year	(484,273,404)	(15,003,140)	841,018	470,315,549
Less: Appropriations				
		(15,003,140)		470,315,549
TOTAL		1,256,607,829		1,012,116,290

3 LONG TERM BORROWINGS

(Amount in Rs.)

(Amount in Rs.)

Secured

Larsen & Turbo Finance Ltd.
Madhya Pradesh Financial Corporation
State Bank of India - SLC
IDBI Bank Ltd. - Term Loan
HDFC Bank Ltd. - Vehicle Loan
Kotak Mahindra Prime Ltd. - Car Loan
LIC of INDIA (Short term loan)
ICICI Bank Ltd. - Car Loan

Reliance Capital Ltd.

Total

Unsecured

Total

Current	Non - Current	Current	Non - Current
	6,127,108	47,023	-
1,912,701	-	8,364,958	-
-	-	50,000,000	-
2,319,945	-	35,452,880	2,336,224
369,753	4,656,558	3,294,732	4,656,558
356,400	309,045	376,800	685,845
1,057,376	12,965,500	-	-
1,088,664	2,928,517	1,187,196	3,882,381
-	-	-	-
-	54,091,339	-	54,454,486
7,104,840	81,078,067	98,723,589	66,015,494
-	-	-	-
7,104,840	81,078,067	98,723,589	66,015,494
	88,182,907		164,739,083

Notes :

Term Loans (along with the interest accrued thereon) from IDBI Bank Ltd are secured by equitable mortgage of Immovable Properties situated on Plot No. 1&2, 24, 24A, 24B, 25, 26, 27 & 28, Sector – A, Industrial Area, Govindpura Bhopal and hypothecation of all the Fixed Assets of the Company. The charge operates as First Charge ranking pari-passu with Madhya Pradesh Finance Corporation for their Working Capital Term Loan. Mr. C E Fernandes, Mr. P.L. Mundhra, Mr. Bernard John, Directors of the Company and Mrs. Evelyn C Fernandes have personally guaranteed the repayment of the said loan(s). Further it is also secured by pledge of 13 Lacs Equity Shares of the Company held by the Promoters.

Working Capital Term Loan of Rs. 346 Lacs from Madhya Pradesh Financial Corporation is secured by equitable mortgage of Immovable Properties situated on Plot No. 1&2, 24, 24A, 24B, 25, 26, 27 & 28, Sector – A, 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 IDBI Bank Ltd for its Term Loan. Mr. C E Fernandes, Mr. P.L. Mundhra, Mr. Bernard John, Directors of the Company and Mrs. Evelyn C Fernandes have personally guaranteed the repayment of the said loan(s).

Loans from L&T Finance Ltd, Reliance Capital Ltd.,HDFC Bank Ltd, ICICI Bank Ltd & Kotak Mahindra Prime Ltd. are secured by the assets financed.

Loan from LIC of India is secured by assignment of LIC Policies (Keyman) of Mr C E Fernandfes , Mr Bernard John both directors of the company and Mrs

Everlyn C Fernandes promoter of th company .There is no stipulation as to repayment of Principal amount hence classified under long term liabilities.

	(Amount in Rs.)	(Amount in Rs.)
4 DEFERRED TAX LIABILITY(Net)	AS AT	AS AT
	31st MARCH, 2013	31st MARCH, 2012
Deferred Tax Liability	-	37,200,000
Related to Fixed Assets	-	-
Deferred Tax Assets	-	-
TOTAL	-	37,200,000
5 SHORT TERM BORROWINGS	AS AT	AS AT
	31st MARCH, 2013	31ST MARCH 2012
Secured		
From ICICI Bank Ltd.	182,873,702	169,691,796
From IDBI Bank Ltd.	279,031,054	174,617,421
From State Bank of India	357,217,682	214,714,815
From Axis Bank Ltd	274,406,761	248,306,383
From Yes Bank Ltd.	75,714,462	74,860,415
From Kotak Mahindra Bank Ltd.	62,970,280	75,083,895
From Standard Chartered Bank Ltd.	100,143,323	48,040,824
	1,332,357,263	1,005,315,550
	1,332,357,263	1,005,315,550
Unsecured		
Other Loans And Advances :		
Related parties:	71,752,027	-
Inter Corporate Deposits	129,464,557	189,947,157
Others		
From Banks		
Citi Bank Ltd	280,489,892	249,983,404
The HSBC LTD	22,400,000	
Others		
Aditya Birla Finance Limited	6,281,502	124,999,999
	510,387,978	564,930,559
TOTAL	1,842,745,242	1,570,246,109

Notes :

ICICI Bank Ltd., IDBI Bank Ltd., State Bank of India, Axis Bank Ltd., Yes Bank Ltd., Kotak Mahindra Bank Ltd. and Standard Chartered Bank Ltd. are hereinafter collectively referred to as "the ICICI Consortium". Working Capital Facilities of Rs. 400 Crores sanctioned by the ICICI Consortium are secured by First pari-passu 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 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 and Second pari-passu charge on all Fixed Assets of the Company, Immovable Properties situated on Plot No. 1&2, 24, 24A, 24B, 25, 26, 27 & 28, Sector – A, Industrial Area, Govindpura Bhopal.

Mr. C E Fernandes, Mr. Bernard John, Directors of the Company and Mrs. Evelyn C Fernandes have personally guaranteed the repayment of above borrowings / facilities.

Further the facilities from ICICI Bank Ltd are secured by pledge of 1 L ac Equity Shares of the Company held by the Promoters

	(Amount in Rs.)	(Amount in Rs.)
6 TRADE PAYABLES	AS AT	AS AT
	31st MARCH, 2013	31st MARCH, 2012
Micro Small And Medium Enterprises	5,339,408	6,171,729
Others	382,101,522	876,849,375
TOTAL	387,440,930	883,021,104

- 6.1** The Details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under

Particulars	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
Principal amount due and remaining unpaid		5,339,408		6,171,729
Interest due on above and the unpaid interest		-		-
Interest paid		-		-
Payment made beyond the appointed day during the year		-		-
Interest due and payable for the period of delay		-		-
Interest accrued and remaining unpaid		-		-

- 6.2** The details of amounts outstanding to Micro, Small and Medium Enterprises determined to the extent such parties have been identified based on the available information collected by the management. This has been relied upon by the Auditors.

7 OTHER CURRENT LIABILITIES	AS AT	AS AT
	31st MARCH, 2013	31st MARCH, 2012
Creditors for Expenses	79,415,104	147,561,200
Advance From Parties	258,274,000	251,066,000
Other Payables *	205,073,640	66,998,898
TOTAL	542,762,744	465,626,097
* Including Statutory Dues		

8 SHORT TERM PROVISIONS	AS AT	AS AT
	31st MARCH, 2013	31st MARCH, 2012
Provision for Income Tax (Net of Advance Tax & TDS)		-
Dividend on Preference Shares	-	13,542,913
Dividend on Equity Shares	-	-
Tax on dividend	-	4,826,200
TOTAL	-	18,369,113

9. FIXED ASSETS

(Amount in Rs.)

Description	Gross block			As at 31.03.2013	As at 01.04.2012	Depreciation / Amortisation For the year	Deduction Adjustment	Upto 31.03.2013	Net Block	
	As at 01.04.2012	Addition	Deduction Adjustment/Transfer						As at 31.03.2013	As at 31.03.2012
A. TANGIBLE ASSETS:										
OWN ASSETS:										
LAND	69,096,000	0		69,096,000	-			-	69,096,000	69,096,000
BUILDING	216,688,515	-0		216,688,515	59,042,407	7237396		66,279,803	150,408,712	157,646,108
MACHINERY	229,354,515	279,261,510		508,616,025	91,516,143	10877846		102,393,989	406,222,035	137,838,372
AUXILIARY EQUIPMENTS	81,238,161	0		81,238,161	39,423,890	3494150		42,918,041	38,320,120	41,814,271
ELECTRICAL INSTALLATIONS	7,509,490	0		7,509,490	4,878,072	289745		5,167,816	2,341,674	2,631,418
PATTERN	401,897	-		401,897	293,384	6363		299,747	102,150	108,513
FURNITURE	12,145,267	0		12,145,267	5,910,977	658923		6,569,900	5,575,367	6,234,290
OFFICE EQUIPMENTS	12,360,944	139,000		12,499,944	5,654,707	554034		6,208,741	6,291,203	6,706,237
COMPUTERS	29,306,093	49,990		29,356,083	22,769,667	2043051		24,812,718	4,543,365	6,536,426
VEHICLES	31,111,404		1,672,489	29,438,915	8,230,289	4699323	596,064	12,333,548	17,105,367	22,881,115
Total Tangible Assets - A	689,212,286	279,450,500	1,672,489	966,990,296	237,719,536	29,860,831	596,064	266,984,305	700,005,991	451,492,750
B. INTANGIBLE ASSETS:										
INTANGIBLE ASSETS	10,805,837	33,658,507		44,464,344	9,248,249	1089805		10,338,055	34,126,288	1,557,587
SOFTWARE	9,673,735	3,006,080		12,679,815	4,149,377	1041496		5,190,874	7,488,941	5,524,357
Total Intangible Assets - B	20,479,571	36,664,587	-	57,144,158	13,397,627	2,131,301	-	15,528,929	41,615,229	7,081,944
Grand Total (A + B)	709,691,857	316,115,087	1,672,489	1,024,134,455	251,117,163	31,992,133	596,064	282,513,234	741,621,221	458,574,694
Less : Revaluation										
Net	-	-	-	-	-	3,310,092	-	-	-	-
Previous Year	697,291,761	15,031,299	2,631,203	1,024,134,455	251,117,163	28,682,041	596,064	282,513,234	741,621,221	458,574,694
CAPITAL WORK IN PROGRESS*	176,537,744	7,124,733	176,537,744	7,124,733	-	-	-	251,117,163	458,574,694	-
									7,124,733	-

	(Amount in Rs.)	(Amount in Rs.)
10 NON-CURRENT INVESTMENT	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
Other Investments		
GEI Power Limited (Wholly Owned Subsidiary)		
36,62,290 Equity Shares of face value of Rs.10 each	266,297,508	266,297,508
Share Application Money	250,000	
Total other Investment (A)	266,547,508	266,297,508
Total Non Current Investment (A+B)	266,547,508	266,297,508
11 CURRENT INVESTMENT	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
A) Trade Investments	-	-
B) Other Investments		
Shares (Market value as on 31st March 2013 : Rs.116423)	263,436	263,436
Mutual Fund	200,000	200,000
Gold	33,880	33,880
Total other Investment (B)	497,316	497,316
Total Current Investment (A+B)	497,316	497,316
12 INVENTORIES	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
(As taken, Valued, & certified by Management)		
Raw Materials	56,906,572	56,906,572
Consumable Stores	200,000	353,614,798
Work In Progress	10,000,000	275,000
Project WIP	1,242,765,000	245,902,000
Unused Inventory	51,101,000	1,294,891,000
Inventory with Suncontractors	52,060,400	51,101,000
Project WIP - GEPL	35,926,581	52,060,400
Project WIP - Erection	146,000,000	-
TOTAL	1,594,959,553	1,955,682,798
13 TRADE RECEIVABLES	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
(Unsecured and Considered Good)		
Due Over Six Months	405,096,793	68,483,158
Retention	735,385,032	
Others	213,737,607	1,615,367,743
TOTAL	1,354,219,432	1,683,850,901
14 CASH AND BANK BALANCES	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
Cash in Hand	27,333	349,625
Balance with scheduled Banks		
(i) In Current Accounts	13,452,875	3,147,379
(ii) In Deposit Accounts	-	-
- Balances held as Margin Money or Security against Borrowings, Guarantees, and Other Commitments #	114,218,560	147,180,237
TOTAL	127,698,768	150,677,241
15 SHORT TERM LOANS AND ADVANCES	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
(Unsecured and considered good)		
Balance with Customs, Central Excise & Income Tax Authorities	34,054,210	15,410,026
VAT Refund	59,971,086	71,161,552
Prepaid Expenses	1,145,948	1,485,002
Security Deposits	41,182,305	42,702,713
Others	62,104,928	81,478,870
TOTAL	198,458,476	212,238,162
16 Other Current Assets	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
Advance to Suppliers	11,290,097	79,236,430
Advance to Workers	5,163,542	2,447,046
Interest Accrued on Deposits	6,951,488	10,046,458
TOTAL	23,405,127	91,729,933

	(Amount in Rs.)		(Amount in Rs.)	
17 REVENUE FROM OPERATIONS	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
Sale of Products	330,520,426		763,206,451	
Project Revenue	1,193,818,308	1,524,338,734	2,982,214,720	3,745,421,171
Income from Services		138,217,261		162,306,534
Other operating revenues		141,604,512		2,036,508
TOTAL		1,804,160,507		3,909,764,213
Less : Excise Duty		147,516,698		294,716,350
NET		1,656,643,809		3,615,047,863
17.1 PARTICULARS OF SALE OF PRODUCTS	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
Air Cooled Heat Exchangers /ACSC & Others		183,003,728		3,450,704,821
17.2 PARTICULARS OF INCOME FROM SERVICES				
E & C Revenue		53,217,261		79,306,534
E & C Project Revenue		85,000,000		61,000,000
Professional & Technical Consultancy		-		22,000,000
17.3 PARTICULARS OF OTHER OPERATING REVENUES				
Sale of scrap & Others Items		141,604,512		2,036,508
18 OTHER INCOME				
Interest				
Interest on Bank Deposit		11,856,923		29,795,271
		11,856,923		29,795,271
Other non operating income		415,562		120,525
Total		415,562		120,525
GRAND TOTAL		12,272,485		29,915,796
* Net of expenses directly attributable to such income				
18.1 PARTICULARS OF OTHER NON OPERATING INCOME				
Other Income		#REF!		120,525
TOTAL		#REF!		120,525
19 (a) COST OF MATERIALS CONSUMED	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
Opening Stock				
Raw Materials	353,614,798		68,803,247	
Consumable Stores	275,000		251,734	
		353,889,798		69,054,981
Add: Purchases				
Raw Material	769,135,820		2,714,485,524	
Consumable Stores	16,992,303		72,118,924	
		786,128,122		2,786,604,448
TOTAL		1,140,017,920		2,855,659,429
Less: Closing stock				
Raw Materials	160,067,972		353,614,798	
Consumable Stores	200,000		275,000	
		160,267,972		353,889,798
TOTAL		979,749,948		2,501,769,631
Total : Materials Consumed		979,749,948		2,501,769,631
(b) CHANGES IN INVENTORIES OF FINISHED GOODS,	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
WORK-IN-PROGRESS AND STOCK-IN-TRADE				
<u>Inventories at the end of the year</u>				
Finished goods			-	
Work-in-progress	10,000,000		245,902,000	
		10,000,000		245,902,000
<u>Inventories at the beginning of the year</u>				
Finished goods	-		-	
Work-in-progress	245,902,000		102,684,800	
		245,902,000		102,684,800
Net (increase) / decrease		235902000		(143217200.00)

	(Amount in Rs.)		(Amount in Rs.)	
20 EMPLOYEE BENEFITS / EXPENSES	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
Salary & Wages	177,345,892		239,318,563	
PF Employer's Contribution	12,172,470		14,281,459	
Welfare Expenses	21,669,309		28,069,150	
TOTAL	211,187,671		281,669,172	
21 FINANCE COSTS	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
Bank Interest	333,532,642		321,920,027	
Bank Commission & Other Charges	35,356,186		54,123,178	
TOTAL	368,888,829		376,043,205	
22 DEPRICIATION AND AMORTISATION EXPENSES	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
Depriication and Amortisation	31,992,133		27,512,020	
Less : Depreciation on Revaluation transferred to Revaluation Reserve	3,310,092	28,682,041	3,310,092	24,201,928
Deferred Expenses Written Off		1,394,301		1,305,302
TOTAL	30,076,342		25,507,230	
23 OTHER EXPENSES	AS AT		AS AT	
	31st MARCH, 2013		31st MARCH, 2012	
a) Manufacturing Expenses	189,960,893		303,238,314	
b) Selling & Distribution Expenses	93,598,384		144,977,637	
c) Establishment Expenses	77,630,127		134,384,817	
TOTAL	361,189,404		582,600,768	
a) Manufacturing Expenses				
CARRIAGE INWARD	20,625,974		56,593,234	
DESIGN EXPENSES	519,787		442,429	
ENTRY TAX	9,458,063		28,248,216	
ERECTION CHARGES	111,092,889		122,487,899	
FABRICATION CHARGES	19,854,993		36,457,773	
CONSUMPTION - FUEL	189,049		322,838	
INSPECTION CHARGES	4,938,928		3,795,689	
MATERIAL HANDLING CHARGES	1,000		319,276	
PACKING & FORWARDING	2,934,484		9,493,033	
PLATING CHARGE	7,650		600	
POWER & LIGHT	9,512,347		13,501,563	
CONSUMPTION - GAS	1,507,777		2,966,438	
CONSUMPTION - OILS	3,618,384		17,778,685	
REPAIRS & MAINT MACHINARY	1,583,905		4,803,403	
TESTING CHARGES	3,540,348		6,027,238	
SURVEY EXPENSES	575,315			
TOTAL	189,960,893		303,238,314	
b) Selling & Distribution Expenses				
ADVERTISEMENT	1,453,202		4,519,928	
CARRIAGE OUTWARD	29,510,909		50,283,823	
SALES COMMISSION	1,654,500		1,829,912	
EXPORT TAX	967,809		3,001,042	
LICENCE AC	598,835		364,178	
REGISTRATION & RENEWALS	232,723		2,576,776	
SALES TAX AFTER ASSESSMENT	-		3,884,350	
SALES TAX / VAT	58,522,683		77,184,439	
SEMINAR & TECHNICAL CONF	142,120		1,187,406	
TENDER FEES	515,603		145,783	
TOTAL	93,598,384		144,977,637	
c) Establishment Expenses				
AUDIT FEES	480,114		479,805	
CORPORATE SOCIAL RESPONSIBILITY	-		151,250	
PROFESSIONAL TAX	2,500		2,500	
CONSULTANCY CHARGES	13,961,977		53,549,357	
CONVEYANCE	855,425		1,086,449	
DONATION	30,200		881,851	
FACTORY EXPENSES	336,052		500,177	
INSURANCE	3,715,875		2,698,222	
LIC KEYMAN INSURANCE PREMIUM	2,531,756		2,525,062	
LEAVE TRAVEL EXPENSES	3,056,953		2,974,874	
LOSS ON SALE OF FIXED ASSETS	626,424		54,201	
LEGAL EXPENSES	1,973,907		2,893,705	
MISC EXPENSES	7,266		12,580	
NEWSPAPERS & PERIODICALS	53,047		64,822	
OFFICE EXPENSES	2,575,194		3,350,170	
RENT	16,449,792		14,412,131	
POSTAGE & TELEGRAMS	807,064		1,176,094	
PRINTING & STATIONARY	2,059,436		3,250,095	
PROPERTY TAX	505,416		444,981	
REPAIRS & MAINT-VEHICLES	2,529,939		3,294,140	
REPAIRS & MAINT-BUILDING	256,827		1,411,253	
REPAIRS & MAINT-COMPUTER	275,217		901,703	
SECURITY SERVICES	3,116		8,387	
TELEPHONE CHARGES	3,554,242		5,197,680	
TRAVELLING EXPENSES	20,982,388		33,063,328	
TOTAL	77,630,127		134,384,817	

	(Amount in Rs.)	(Amount in Rs.)
* PAYMENT TO AUDITORS	AS AT	AS AT
	31st MARCH, 2013	31st MARCH, 2012
Audit Fee	400,000	400,000
Tax Audit Fee	20,000	20,000
Other Services	59,805	59,805
TOTAL	479,805	538,410

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

24.1 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Raw Materials	33,795,067	60,033,509
Capital Goods	-	-

24.2 DETAILS OF CONSUMPTION OF IMPORTED & INDIGENOUS ITEMS

	Rs.	%	Rs.	%
Raw Material, Stores & Spares Consumed				
Imported	33,795,067	3.45	60,033,509	2.40
Indigenous	945,954,881	96.55	2,441,736,122	97.60
	979,749,948	100.00	2,501,769,631	100.00

24.3 EXPENDITURE IN FOREIGN CURRENCY:

Capital	-	6,315,692
Other	-	8,167,495

24.4 EARNING IN FOREIGN EXCHANGE

FOB value of export	3,247,803	18,030,187
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25 EARNING PER SHARE (EPS)

i) Net Profit after tax as per Statement of profit and loss attributable to equity shareholder	(485318690)	-3,947,909
ii) Weighted Average number of equity shares used as denomination for calculating Basic EPS	17,770,080	16,624,580
iii) Weighted Average number of equity shares used as denomination for calculating Diluted EPS	17,770,080	16,624,580
iv) Basic and diluted earning per share	(27.31)	-0.24
v) Diluted earning per share	(27.31)	-0.24
vi) Face value per equity share	10	10

"GEI Power Limited, a subsidiary of the Company, raised funds during the year by issuing optionally convertible securities as per terms agreed between the Parties. Its impact on earnings and financials of the Company, if any, is inept of quantification at this stage and accordingly has not been considered."

26 AMOUNT REMITTED IN FOREIGN CURRENCY DURING THE YEAR ON ACCOUNT OF DIVIDEND

	2012-13	2011-12
	(Final Dividend)	(Final Dividend)
a) Number of Equity Shares held by them	-	3,309,681
b) (i) Amount of Dividend paid (gross) *	-	3,309,681
Amount paid in Foreign Currency		17,200
(ii) Tax Deducted at Source	-	
(iii) Year to which dividend relates		2010-11

* Eligible for dividend with repartition benefits.

27 Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	GEI Power Limited	Subsidiary Company
2	Vemaa Industries Limited	Enterprises Related to Key Management Personnel
3	JBL Engineering Pvt. Ltd.	Enterprises Related to Key Management Personnel
4	Mr. C E Fernandes	Key Management Personnel
5	Mr. Bernard John	Key Management Personnel
6	Mr. P L Mundhra	Key Management Personnel
7	Mr. D Laxminarayan	Key Management Personnel
8	Mr. Robinson Fernandez	Key Management Personnel

(ii) Transactions during the year with related parties : (Amount in Rs.)

Sr. No.	Nature of Transaction	Subsidiaries	Director are related	Key Management Personnel	Total
a	Purchase of Material / Services/ Other Expenses	333,754,860	7,846,664	-	341,601,524
b	Sale of Material / Services/ Other Expenses	143,027,075			143,027,075
c	Employee benefit expenses	-	-	17,857,653	17,857,653
d	Rent	-	-	4,200,000	4,200,000
e	Purchase / Subscription of Investments	250,000	-	-	250,000

28 CONTINGENT LIABILITIES AND COMMITMENTS

As at
31st March, 2013

As at
31st March, 2012

(i) Contingent Liabilities

(A) Claims against the company not acknowledged as debts

Income Tax

NIL

NIL

Sales Tax

15723813

143244445

6888704

6721845

(B) Guarantees

(i) guarantees to banks and financial institutions

against credit facilities extended to third parties

(Corporate guarantee given to bank / financial institutions against loans to subsidiary company GEI Power Limited)

1157575000

1157575000

(ii) Performance Guarantees

NIL

NIL

(a) In respect of joint ventures

(b) In respect of others

1076865317

1081454654

(iii) Outstanding guarantees furnished to Banks and

financial institutions including in respect of

letters of credits

(a) In respect of joint ventures

NIL

NIL

(b) In respect of others

NIL

NIL

(C) Others Money for which the company is contingently liable

(i) Liability in respect of bills discounted with banks

(Including third party bills discounting)

(a) In respect of joint ventures

NIL

NIL

(b) In respect of others

334404609

455514147

(against bills discounted from IFCI & SBI Global Factors Limited & IDBI BANK LTD)

(II) Commitments

(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:

Tangible assets

NIL

NIL

Intangible assets

NIL

NIL

(B) Uncalled Liability on shares and other investments partly paid

NIL

NIL

Dividend & Dividend Tax on Preference shares

23183376

(C) Others commitments

(a) Sales tax deferred liability assigned

NIL

NIL

(b) Guarantee against future cash calls*

NIL

NIL

FINANCIAL INFORMATION OF WHOLLY OWNED SUBSIDIARY- GEI POWER LIMITED

Statement pursuant to general exemption u/s 212(8) of the Companies Act, 1956

(Amount in lacs)

Perticulars	2012-13	2011-12
Share Capital	2866.23	2866.23
Reserves	693.18	1708.58
Total Assets	13681.84	15620.82
Total Liabilities	13681.84	15620.82
Details of Investments	-	-
Turnover	3764.69	10738.84
Profit before tax	-1208.39	118.3
Provision for tax	-	100.05
Profit after tax	-1015.39	18.25
Proposed dividend	-	-

CASH FLOW STATEMENT FOR THE YEAR 2012-13

	PARTICULARS	2012-13	2011-12
1	Net Profit after tax & extra-ordinary items	(585812791)	2665814
	Adjustment for :		
2	Depreciation & Amortisation	58963498	43863834
3	Finance Cost	502567140	495253619
4	Interest earned	(13180523)	(31662378)
5	Profit on sale of Investment		
6	Loss on sale of Fixed Assets	626424	54201
	Operating Profit before Working Capital Changes	(36836252)	510175090
	Adjustment for :		
7	Trade and other receivables	428616664	(366221561)
8	Inventories	414046004	(386932170)
9	Trade Payables	(526617711)	229408850
10	Cash generated from operations	279208705	(13569792)
11	Direct Taxes Paid	(145903)	(5143350)
	NET CASH FROM OPERATING ACTIVITIES [A]	279062802	(18713142)
12	Cash flow from Investment Activities		
13	Purchased of Fixed Assets	(173624568)	(493847191)
14	Sale of Fixed Assets	450000	657000
15	Purchase of Investments	0	(13806083)
	NET CASH USED IN INVESTMENT ACTIVITIES [B]	(173174568)	(506996274)
	Cash flow from Financing Activities		
16	Proceeds from issue of Share Capital including share Premium	83750000	252250000
17	Dividends Paid	(899383)	(30805037)
18	Borrowals - short Term	367076981	347800962
19	Repayment of Borrowals	(53884937)	(174897701)
20	Deferred Liabilities	(56500000)	8500000
21	Interest Paid	(502567140)	(495253619)
22	Interest Received	13180523	31662378
	NET CASH USED IN FINANCE ACTIVITIES [C]	(149843956)	(60743017)
	Net Increase in cash and cash equivalents (A + B + C)	(43955722)	(586452433)
	Cash and cash equivalents (Opening)	176079183	762531615
	Cash and cash equivalents (Closing)	132123461	176079183
		(43955722)	(586452433)

0

0.62

C E Fernandes
Chairman & Managing Director

Bernard John
Joint Managing Director

As per our report of even date
For A K KHABYA & CO.
Chartered Accountants
FRNo. 001994C

PLACE : BHOPAL
DATE : 30-05-2013

M.N G PILLAI
Partner
M. No. 074051

GEI INDUSTRIAL SYSTEMS LTD (CONSOLIDATED)

BALANCE SHEET AS AT 31ST MARCH, 2013

	NOTES	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
		(Amount in Rs.)	(Amount in Rs.)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	446,792,480	1,064,912,800
Reserves And Surplus	2	<u>1,213,718,797</u>	<u>1,070,475,492</u>
Warrant Application Money Pending Allotment		-	31,250,000
Share Application Money Pending Allotment		-	-
Non-Current Liabilities			
Long Term Borrowings	3	493,769,781	613,673,623
Deferred Tax Liabilities (net)	4	<u>493,769,781</u>	<u>56,500,000</u>
Current Liabilities			
Short Term Borrowings	5	2,270,981,342	1,903,904,356
Trade Payables	6	271,565,363	798,183,075
Other Current Liabilities	7	650,693,918	547,735,367
Short Term Provision	8	<u>-</u>	<u>20,517,960</u>
TOTAL		<u>5,347,521,681</u>	<u>6,107,152,672</u>
ASSETS			
Goodwill arising on Consolidation		117,467,420	117,467,420
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		1,451,849,366	949,366,084
Intangible Assets		41,615,230	7,081,944
Capital Work in Progress		31,675,513	456,732,068
		<u>-</u>	<u>-</u>
Long Term Loans And Advances	10	<u>127,177,737</u>	<u>110,756,052</u>
Current Assets			
Current Investments	11	497,316	497,316
Inventories	12	1,826,042,856	2,240,088,860
Trade Receivables	13	1,368,420,389	1,685,344,100
Cash And Bank Balances	14	132,123,461	176,079,183
Short Term Loans / Advances	15	212,269,524	231,541,135
Other Currents Assets	16	<u>38,382,868</u>	<u>130,804,210</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)			1,394,299
TOTAL		<u>5,347,521,681</u>	<u>6,107,152,672</u>
Significant Accounting Policies	A to C	For and on behalf of the Board of Directors	
Notes On Financial Statements	1 to 29		
	C E Fernandes	Bernard John	
	Chairman & Managing Director	Joint Managing Director	
		As per our report of even date	
		For A K KHABYA & CO.	
		Chartered Accountants	
		FRNo. 001994C	
PLACE : BHOPAL		M.N G PILLAI	
DATE : 30-05-2013		Partner	
		M. No. 074051	

GEI INDUSTRIAL SYSTEMS LTD (CONSOLIDATED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	NOTES	(Amount in Rs.) AS AT 31 st March, 2013	(Amount in Rs.) AS AT 31 st March, 2012
INCOME			
Revenue From Operations	17	1569557863	3849262313
Other Income	18	34987745	103587758
Total Revenue		1604545608	3952850071
EXPENDITURE:			
Cost Of Materials Consumed	19.a	786487037	2465111879
Changes In Inventories of Finished Goods, Work-In-Progress and Stock In-Trade	20	244404000	(245731519)
Employee Benefits / Expenses	21	271315072	346962355
Finance Costs	22	502567140	495253619
Depreciation And Amortisations Expenses	23	58963498	43863834
Other Expenses	24	379726149	814969165
Total Expenses		2,243,462,896	3,920,429,333
Profit Before Tax		(638,917,288)	32,420,738
Provision for Tax Expenses			
Tax expense for current year			9,148,000
Deferred Income Tax		(56,500,000)	8,500,000
Tax expense relating to prior years		3,395,503	12,106,924
Profit For The Year		(585,812,791)	2,665,814
Earnings Per Equity Shares of Face Value of Rs.10 each			
Basic	25	(33.03)	(2.00)
Diluted		(33.03)	0.07
Significant Accounting Policies	A to C		
Notes on Financial statements	1 to 29		

C E Fernandes
Chairman & Managing Director

Bernard John
Joint Managing Director
As per our report of even date
For A K KHABYA & CO.
Chartered Accountants
FRNo. 001994C

PLACE : BHOPAL
DATE : 30-05-2013

M.N G PILLAI
Partner
M. No. 074051

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

(Amount in Rs.)

(Amount in Rs.)

AS AT
AS AT

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

31 St March, 2013
31 St March, 2012
1 SHARE CAPITAL
Authorised Share Capital:

2,31,25,000 Equity Shares of Rs. 10 each

231,250,000

231,250,000

30,00,000 (9%)Cumulative Redemable Preference Shares of Rs 10 each.

30,000,000

30,000,000

25,55,000 (5%)Cumulative Convertible Preference Shares of Rs 250 each.

638,750,000

638,750,000

900,000,000
900,000,000
Issued, Subscribed and Paid up:

1,66,24,580 Equity Shares of Rs. 10/- each

196,792,480

166,245,800

(9%) Cumulative Redemable Preference Share of Rs 10 each

-

10,000,000

25,54,668 (5%)Cumulative Convertible Preference Shares of Rs 250 each.

-

638,667,000

25,00,000 Convertible Preference Shares of GEI Power Limited Rs100 each

250,000,000

250,000,000

-

-

-

-

446,792,480
1,064,912,800

Warrant Application Money

-

31,250,000

Share Application Money

-

2 RESERVES AND SURPLUS
General Reserve

35,675,000

Less :- Transfer to Capital Redemption Reserve

10,000,000

25,675,000

35,675,000

Securities Premium Account

1,113,247,230

380,126,910

Capital Reserve Account

1,500,000

1,500,000

Revaluation Reserve

As per last balance sheet

Less : Transferred to Profit & loss Account

112,688,739

115,998,831

1,253,110,969
533,300,741
Capital Redemption Reserve Account

20,000,000

Add :- Transfer from General Reserve

10,000,000

30000000

20000000

-

Profit and Loss Account

As per last Balance Sheet

517,465,905

605,841,167

Less : Transferred to General Reserve

-

35,675,000

Less : Transferred to Capital Redemption Reserve Account

-

20,000,000

Total

517,465,905

Add : Prelimney Expenses of Subsidiary - Written off

-

291,157

Dividend on Preference Shares

899,383

30,805,037

Tax on Dividend

145,903

5,143,350

-

Add: Profit for the year

(585,812,791)

(69,392,172)

2,665,814

(69,392,172)
517,174,751
TOTAL
1,213,718,797
1,070,475,492

		(Amount in Rs.)		(Amount in Rs.)	
		AS AT		AS AT	
		31 St March, 2013		31 St March, 2012	
3 LONG TERM BORROWINGS		493,769,781		613,673,623	
3.1		CURRENT	NON - CURRENT	CURRENT	NON - CURRENT
	Larsen & Tourbo Finance Ltd.	5,421,900	10,441,800	9,363,951	5,421,900
	Madhya Pradesh Financial Corporation	46,912,701	61,768,279	76,467,998	47,500,000
	State Bank of India - SLC	-	-	50,000,000	
	IDBI Bank Ltd. - Term Loan	11,651,945	26,518,025	71,033,263	11,668,224
	Union Bank of India	40,000,000	138,408,102	155,638,657	40,000,000
	The Saraswat Cooperative Bank Ltd.	22,500,000	51,156,432	59,638,596	16,875,000
	HDFC Bank Ltd. - Vehicle Loan	555,021	5,198,244	4,407,448	5,071,878
	FEDERAL BANK (STAFF BUS LOAN)	130,464	38,674		
	Kotak Mahindra Prime Ltd. - Car Loan	356,400	309,045	376,800	685,845
	LIC of INDIA (Short term loan)	1,057,376	12,965,500		
	Kogta Financial Ltd. - Car Loan	-	-		
	ICICI Bank Ltd. - Car Loan	1,188,252	3,100,280	1,187,196	3,882,381
	Sundaram Finance Limited - Car Loan	-	-		
	Reliance Capital Ltd.	-	54,091,339		54,454,486
		129,774,060	363,995,721	428,113,909	185,559,714

Notes :

Notes :

Term Loans (along with the interest accrued thereon) from IDBI Bank Ltd are secured by equitable mortgage of Immovable Properties situated on Plot No. 1&2, 24, 24A, 24B, 25, 26, 27 & 28, Sector – A, 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 Madhya Pradesh Finance Corporation for their Working Capital Term Loan. Mr. C E Fernandes, Mr. P.L. Mundhra, Mr. Bernard John, Directors of the Company and Mrs. Evelyn C Fernandes have personally guaranteed the repayment of the said loan(s). Further it is also secured by pledge of 13 Lacs Equity Shares of the Company held by the Promoters.

Working Capital Term Loan of Rs. 346 Lacs from Madhya Pradesh Financial Corporation is secured by equitable mortgage of Immovable Properties situated on Plot No. 1&2, 24, 24A, 24B, 25, 26, 27 & 28, Sector – A, 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 IDBI Bank Ltd for its Term Loan. Mr. C E Fernandes, Mr. P.L. Mundhra, Mr. Bernard John, Directors of the Company and Mrs. Evelyn C Fernandes have personally guaranteed the repayment of the said loan(s).

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. 10, Industrial Area, Phase - II (Satlapur), Mandideep, Dist : Raisen (M.P.) ranking pari-passu basis with IDBI Bank Ltd, Union Bank of India and The Saraswat Co-Operative Bank Ltd for their Term Loan.

Working Capital Term Loan of Rs 500 Lacs from Madhya Pradesh Financial Corporation (MPFC) is secured by way of first charge on all the current assets created under the work orders financed.

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. 10, Industrial Area, Phase - II (Satlapur), Mandideep, Dist : Raisen (M.P.) and Second Charge on entire Current Assets, ranking pari-passu basis with MPFC, Union Bank of India and The Saraswat Co-Operative Bank Ltd for their Term Loan.

Term Loan of Rs. 2400 Lacs from Union Bank of India 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. 10, Industrial Area, Phase - II (Satlapur), Mandideep, Dist : Raisen (M.P.) and Second Charge on entire Current Assets, ranking pari-passu with IDBI Bank Ltd and The Saraswat Co-Operative Bank Ltd for their Term Loan

Term Loan of Rs. 1125 Lacs from The Saraswat Co-Operative 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. 10, Industrial Area, Phase - II (Satlapur), Mandideep, Dist : Raisen (M.P.) and Second Charge on entire Current Assets, ranking pari-passu with IDBI Bank Ltd, Union Bank of India and The Saraswat Co-Operative Bank Ltd for their Term Loan.

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

"Loans from L&T Finance Ltd, Reliance Capital Ltd. and HDFC Bank are secured by the assets financed.

Loan from LIC of India is secured by assignment of LIC Policies (Keyman) of Mr C E Fernandfes ,Mr Bernard John both directors of the company and Mrs Evelyn C Fernandes promoter of th company .There is no stipulation as to repayment of Principal amount hence classified under long term liabilities.

	(Amount in Rs.) AS AT 31 St March, 2013	(Amount in Rs.) AS AT 31 St March, 2012
4 DEFERRED TAX LIABILITY(Net)		
Deferred Tax Liability	-	56,500,000
Related to Fixed Assets	-	
Deferred Tax Assets	-	
TOTAL	-	56,500,000
5 SHORT TERM BORROWINGS		
Secured		
From ICICI Bank Ltd.	182,873,702	169,691,796
From IDBI Bank Ltd.	462,552,906	273,520,216
From State Bank of India	357,217,682	214,714,815
From Axis Bank Ltd	274,406,761	248,306,383
From Yes Bank Ltd.	75,714,462	74,860,415
From Kotak Mahindra Bank Ltd.	62,970,280	75,083,895
From Standard Chartered Bank Ltd.	100,143,323	48,040,824
From Union Bank of India	61,448,187	65,400,467
From The Saraswat Cooperative Bank Ltd.	65,123,136	58,556,082
From Barclays Bank PLC	-	
	1,642,450,439	1,228,174,894
Unsecured		
Other Loans And Advances :		
Related parties:		
Inter Corporate Deposits	77,751,226	10,798,903
	129,464,557	189,947,157
From Banks		
Citi Bank Ltd	392,633,618	349,983,404
The HSBC LTD	22,400,000	
Others	-	
Aditya Birla Finance Limited	6,281,502	124,999,999
	628,530,903	675,729,462
TOTAL	2,270,981,342	1,903,904,356

Notes :

ICICI Bank Ltd., IDBI Bank Ltd., State Bank of India, Axis Bank Ltd, Yes Bank Ltd., Kotak Mahindra Bank Ltd. and Standard Chartered Bank Ltd. are hereinafter collectively referred to as "the ICICI Consortium". Working Capital Facilities of Rs. 400 Crores sanctioned by the ICICI Consortium are secured by First pari-passu 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 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 and Second pari-passu charge on all Fixed Assets of the Company, Immovable Properties situated on Plot No. 1&2, 24, 24A, 24B, 25, 26, 27 & 28, Sector – A, Industrial Area, Govindpura Bhopal.

Mr. C E Fernandes, Mr. Bernard John, Directors of the Company and Mrs. Everlyn C Fernandes have personally guaranteed the repayment of above borrowings / facilities.

Working Capital Loan of Rs. 4400 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, immoveable property and leasehold land admeasuring One Lac Square Meters situated at Plot No. 10, Industrial Area, Phase - II (Satlapur), Mandideep, Dist : Raisen (M.P.), ranking Pari-Passu with Union Bank of India and The Saraswat Co-Operative Bank Ltd for their Working Capital Loan.

Working Capital Loan of Rs. 600 Lacs from Union Bank of India is secured by way of First Charge on Company's entire Current Assets and Second Charge on Company's entire moveable property, immoveable property and leasehold land admeasuring One Lac Square Meters situated at Plot No. 10, Industrial Area, Phase - II (Satlapur), Mandideep, Dist : Raisen (M.P.), ranking Pari-Passu with IDBI Bank Ltd and The Saraswat Co-Operative Bank Ltd for their Working Capital Loan.

Working Capital Loan of Rs. 800 Lacs from The Saraswat Co-Operative Bank Ltd is secured by way of First Charge on Company's entire Current Assets and Second Charge on Company's entire moveable property, immoveable property and leasehold land admeasuring One Lac Square Meters situated at Plot No. 10, Industrial Area, Phase - II (Satlapur), Mandideep, Dist : Raisen (M.P.), ranking Pari-Passu with IDBI Bank Ltd and Union Bank of India for their Working Capital Loan.

	(Amount in Rs.)	(Amount in Rs.)
6 TRADE PAYABLES		
Micro Small And Medium Enterprises	5,339,408	7,638,818
Others	266,225,955	790,544,257
TOTAL	271,565,363	798,183,075

6.1 The Details of amounts outstanding to Micro, Small and Medium Enterprises based on

Particulars	AS AT	AS AT
	31st MARCH, 2013	31st MARCH, 2012
Principal amount due and remaining unpaid	5,339,408	7,638,818
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-

6.2 The details of amounts outstanding to Micro, Small and Medium Enterprises determined to the extent such parties have been identified based on the available information collected by the management. This has been relied upon by the Auditors.

7 OTHER CURRENT LIABILITIES

Creditors for Expenses	91,191,423	185,645,010
Advance From Parties	258,274,000	251,066,000
Other Payables *	297,975,180	107,831,321
Security Deposits from Parties	3,253,315	3,193,035
TOTAL	650,693,918	547,735,367
* Including Statutory Dues		

8 SHORT TERM PROVISIONS

Provision for Income Tax (Net of Advance Tax & TDS)	-	922,700
Dividend on Preference Shares	-	14,597,913
Dividend on Equity Shares	-	-
Tax on dividend	-	4,997,347
TOTAL	-	20,517,960

9. FIXED ASSETS

Description	Gross block				Depreciation / Amortisation			
	As at 01.04.2012	Addition	Deduction Adjustment	As at 31.03.2013	As at 01.04.2012	For the year	Deduction Adjustment	Upto 31.03.2013
A. TANGIBLE ASSETS:								
OWN ASSETS:								
LAND	96,026,988	-	-	96,026,988	-	-	-	-
BUILDING	500,689,743	79,744,466	-	580,434,209	73,866,279	18,067,513	-	91,933,791
MACHINERY	418,134,635	482,048,316	-	900,182,951	105,664,229	26,882,604	-	132,546,833
AUXILIARY EQUIPMENTS	81,238,161	0	-	81,238,161	39,423,890	3,494,150	-	42,918,040
ELECTRICAL INSTALLATIONS	29,610,768	0	-	29,610,768	6,396,923	1,339,555	-	7,736,478
PATTERN	401,897	-	-	401,897	293,384	6,363	-	299,747
FURNITURE	12,776,741	0	-	12,776,741	5,950,825	698,895	-	6,649,720
OFFICE EQUIPMENTS	14,391,530	173,764	-	14,565,294	5,798,331	650,559	-	6,448,890
COMPUTERS	31,203,165	49,990	-	31,253,155	23,045,340	2,350,567	-	25,395,906
VEHICLES	33,925,088	-	1,672,489	32,252,599	8,593,433	4,966,623	596,064	12,963,992
Total Tangible Assets - A	1,218,398,717	562,016,536	1,672,489	1,778,742,764	269,032,633	58,456,829	596,064	326,893,398
B. INTANGIBLE ASSETS:								
INTANGIBLE ASSETS	10,805,837	33,658,507	-	44,464,344	9,248,249	1,089,805	-	10,338,055
SOFTWARE	9,673,735	3,006,080	-	12,679,815	4,149,377	1,041,496	-	5,190,874
Total Intangible Assets - B	20,479,571	36,664,587	-	57,144,158	13,397,627	2,131,301	-	15,528,928
Grand Total (A + B)	1,238,878,288	598,681,123	1,672,489	1,835,886,922	282,430,260	60,588,131	596,064	342,422,326
Less : Revaluation	-	-	-	-	-	-	-	-
Net	1,238,878,288	598,681,123	1,672,489	1,835,886,922	282,430,260	60,588,131	596,064	342,422,326
Previous Year	1,166,765,062	74,744,429	2,631,203	1,238,878,289	238,772,796	42,267,374	1,920,001	282,430,260
CAPITAL WORK IN PROGRESS*	456,732,068	31,675,513	425,056,555	31,675,513	-	-	-	-
TOTAL	1,695,610,356	630,356,636	426,729,044	1,867,562,436	282,430,260	60,588,131	596,064	342,422,326

GEI INDUSTRIAL SYSTEMS LIMITED
9. FIXED ASSETS

Description	Gross block				Depreciation / Amortisation			
	As at 01.04.2011	Addition	Deduction Adjustment	As at 31.03.2012	As at 01.04.2011	For the year	Deduction Adjustment	Upto 31.03.2012
A. TANGIBLE ASSETS:								
OWN ASSETS:								
LAND	69,096,000	-	-	69,096,000	-	-	-	-
BUILDING	216,688,515	-	-	216,688,515	59,042,407	7,237,396	-	66,279,803
MACHINERY	229,354,515	279,261,506	-	508,616,021	91,516,143	10,877,846	-	102,393,989
AUXILIARY EQUIPMENTS	81,238,161	0	-	81,238,161	39,423,890	3,494,150	-	42,918,040
ELECTRICAL INSTALLATIONS	7,509,490	0	-	7,509,490	4,878,072	289,745	-	5,167,816
PATTERN	401,897	-	-	401,897	293,384	6,363	-	299,747
FURNITURE	12,145,267	0	-	12,145,267	5,910,977	658,923	-	6,569,900
OFFICE EQUIPMENTS	12,360,944	139,000	-	12,499,944	5,654,707	554,034	-	6,208,741
COMPUTERS	29,306,093	49,990	-	29,356,083	22,769,667	2,043,051	-	24,812,718
VEHICLES	31,111,404	-	1,672,489	29,438,915	8,230,289	4,699,323	596,064	12,333,548
Total Tangible Assets - A	689,212,286	279,450,496	1,672,489	966,990,292	237,719,536	29,860,831	596,064	266,984,303
B. INTANGIBLE ASSETS:								
INTANGIBLE ASSETS	10,805,837	33,658,507	-	44,464,344	9,248,249	1,089,805	-	10,338,055
SOFTWARE	9,673,735	3,006,080	-	12,679,815	4,149,377	1,041,496	-	5,190,874
Total Intangible Assets - B	20,479,571	36,664,587	-	57,144,158	13,397,627	2,131,301	-	15,528,928
Grand Total (A + B)	709,691,857	316,115,083	1,672,489	1,024,134,451	251,117,163	31,992,133	596,064	282,513,231
Less : Revaluation	-	-	-	-	-	3,310,092	-	-
Net	709,691,857	316,115,083	1,672,489	1,024,134,451	251,117,163	28,682,041	596,064	282,513,231
Previous Year	697,291,761	15,031,299	2,631,203	709,691,857	225,525,144	24,201,928	1,920,001	251,117,163
CAPITAL WORK IN PROGRESS*	176,537,744	-	169,413,011	7,124,733	-	-	-	-
Total	886,229,601	316,115,083	171,085,500	1,031,259,184	251,117,163	28,682,041	596,064	282,513,231

* This includes certain intangible assets under development; to be allocated to appropriate heads on completion

GEI POWER LIMITED
9. FIXED ASSETS

Description	Gross block				Depreciation / Amortisation			
	As at 01.04.2012	Addition	Deduction Adjustment	As at 31.03.2013	As at 01.04.2012	For the year	Deduction Adjustment	Upto 31.03.2012
A. TANGIBLE ASSETS:								
OWN ASSETS:								
LAND	26,930,988	-	-	26,930,988	-	-	-	-
BUILDING	284,001,229	79,744,466	-	363,745,695	14,823,872	10,830,116	-	25,653,988
MACHINERY	188,780,120	202,786,810	-	391,566,931	14,148,086	16,004,758	-	30,152,844
AUXILIARY EQUIPMENTS	-	-	-	-	-	-	-	-
ELECTRICAL INSTALLATIONS	22,101,278	-	-	22,101,278	1,518,851	1,049,811	-	2,568,662
PATTERN	-	-	-	-	-	-	-	-
FURNITURE	631,474	-	-	631,474	39,848	39,972	-	79,820
OFFICE EQUIPMENTS	2,030,586	34,764	-	2,065,350	143,624	96,525	-	240,149
COMPUTERS	1,897,072	-	-	1,897,072	275,673	307,515	-	583,188
VEHICLES	2,813,684	-	-	2,813,684	363,144	267,300	-	630,444
Total Tangible Assets - A	529,186,431	282,566,040	-	811,752,472	31,313,097	28,595,998	-	59,909,095
B. INTANGIBLE ASSETS:								
INTANGIBLE ASSETS	-	-	-	-	-	-	-	-
SOFTWARE	-	-	-	-	-	-	-	-
Total Intangible Assets - B	-	-	-	-	-	-	-	-
Grand Total (A + B)	529,186,431	282,566,040	-	811,752,472	31,313,097	28,595,998	-	59,909,095
Less : Revaluation	-	-	-	-	-	-	-	-
Net	529,186,431	282,566,040	-	811,752,472	31,313,097	28,595,998	-	59,909,095
Previous Year	469,473,301	59,713,130	-	529,186,432	13,247,652	18,065,446	-	31,313,097
CAPITAL WORK IN PROGRESS*	280,194,324	-	255,643,544	-	-	-	-	-
Total	809,380,756	282,566,040	255,643,544	836,303,252	31,313,097	28,595,998	-	59,909,095

(Amount in Rs.)		
	AS AT 31 St March, 2013	AS AT 31 St March, 2012
10 Long Term Loan & Advances		
Sales Tax Subsidy Rceivable	127,177,737	110,756,052
Total Long Term Loan & Advances	127,177,737	110,756,052
11 CURRENT INVESTMENT		
A) Trade Investments	-	-
B) Other Investments	-	-
Shares (Market value as on 31st March 2013 : Rs.116423)	263,436	263,436
Mutual Fund	200,000	200,000
Gold	33,880	33,880
Total other Investment (B)	497,316	497,316
Total Current Investment (A+B)	497,316	497,316
12 INVENTORIES		
(As taken,Valued,& certified by Management)		
Raw Materials	84,013,419	417,175,931
Consumable Stores	5,272,456	13,713,930
Work In Progress	208,904,000	453,308,000
Project WIP -	1,242,765,000	1,355,891,000
Unused Inventory	51,101,000	
Inventory With Subcontractors	52,060,400	
Project WIP - GEPL	35,926,581	
Project WIP - Erection	146,000,000	
TOTAL	1,826,042,856	2,240,088,860
13 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Due Over Six Months	405,096,793	68,483,158
Retention	735,385,032	
Others	227,938,564	1,616,860,942
TOTAL	1,368,420,389	1,685,344,100
14 CASH AND BANK BALANCES		
Cash in Hand	154,842	390,906
Balance with scheduled Banks	-	-
(i) In Current Accounts	13,579,838	9,338,040
(ii) In Deposit Accounts	-	-
- Balances held as Margin Money or	118,388,781	166,350,237
Security against Borrowings, Guarantees,	-	-
and Other Commitments #		
TOTAL	132,123,461	176,079,183
15 SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Balance with Customs, Central Excise & Income Tax Authorities	35,155,683	19,415,721
VAT Refund	59,971,086	71,161,552
Prepaid Expenses	1,452,638	1,872,257
Security Deposits	43,663,299	45,066,007
Others	72,026,818	94,025,598
TOTAL	212,269,524	231,541,135
16 Other Current Assets		
Advance to Suppliers	26,015,885	116,029,443
Advance to Workers	5,261,327	3,700,688
Interest Accrued on Deposits	7,105,656	11,074,079
TOTAL	38,382,868	130,804,210

	(Amount in Rs.)	(Amount in Rs.)
17 REVENUE FROM OPERATIONS		
Sale of Products	382,161,657	1,025,964,543
Project Revenue	1,193,818,308	2,982,214,720
Income from Services	138,217,261	162,306,534
Other operating revenues	39,042,802	59,300,048
TOTAL	1,753,240,028	4,229,785,845
Less : Excise Duty	183,682,165	380,523,532
NET	1,569,557,863	3,849,262,313
17.1 PARTICULARS OF SALE /PROJECT REVENUE OF PRODUCTS		
Air Cooled Heat Exchangers /ACSC Others	1,575,979,965	4,008,179,263
	-	
17.2 PARTICULARS OF INCOME FROM SERVICES		
E & C Revenue	138,217,261	140,306,534
Professional & Technical Consultancy	-	22,000,000
17.3 PARTICULARS OF OTHER OPERATING REVENUES		
Sale of scrap	39,042,802	6,060,758
Fabrication Income from Job Work	-	53,239,290
18 OTHER INCOME		
Interest		
Interest on Bank Deposit	13,180,523	31,662,378
	13,180,523	31,662,378
Other non operating income	21,807,222	71,925,380
Total	21,807,222	71,925,380
Grand Total	34,987,745	103,587,758
18.1 PARTICULARS OF OTHER NON OPERATING INCOME		
Other Income	562,812	221,325
Sales Tax Subsidy	21,244,410	71,704,055
TOTAL	21,807,222	71,925,380
19 (a) COST OF MATERIALS CONSUMED		
Opening Stock		
Raw Materials	417,175,931	191,903,060
Consumable Stores	13,713,930	3,306,149
	430,889,860	195,209,209
Add: Purchases		
Raw Material	522,256,159	2,578,351,951
Consumable Stores	25,788,292	122,440,579
TOTAL	978,934,312	2,896,001,740
Less: Closing stock		
Raw Materials	187,174,819	417,175,931
Consumable Stores	5,272,456	13,713,930
TOTAL	786,487,037	2,465,111,879
Total : Materials Consumed	786,487,037	2,465,111,879
(b) CHANGES IN INVENTORIES OF FINISHED GOODS,		
20 WORK-IN-PROGRESS AND STOCK-IN-TRADE		
<u>Inventories at the end of the year</u>		
Finished goods	-	-
Work-in-progress	208,904,000	453,308,000
<u>Inventories at the beginning of the year</u>		
Finished goods	-	-
Work-in-progress	453,308,000	207,576,481
	-	-
Net (increase) / decrease	244404000	(245731519)

	(Amount in Rs.)	(Amount in Rs.)
21 EMPLOYEE BENEFITS / EXPENSES		
Salary & Wages	229,180,199	293,810,847
PF Employer's Contribution	17,163,767	20,644,698
Welfare Expenses	24,971,106	32,506,810
TOTAL	271,315,072	346,962,355
22 FINANCE COSTS		
Bank Interest	462,622,312	427,187,435
Bank Commission & Other Charges	39,944,828	68,066,184
	-	-
TOTAL	502,567,140	495,253,619
23 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation and Amortisation	60,588,131	45,577,466
Less : Depreciation on Revaluation transferred to Revaluation Reserve	3,310,092	3,310,092
Deferred Expenses Written Off	1,685,459	1,596,460
TOTAL	58,963,498	43,863,834
24 OTHER EXPENSES		
a) Manufacturing Expenses	210,264,166	396,863,922
b) Selling & Distribution Expenses	76,082,567	264,494,481
c) Establishment Expenses	93,379,416	153,610,763
TOTAL	379,726,149	814,969,165
a) Manufacturing Expenses		
CARRIAGE INWARD	23,360,224	73,597,918
DESIGN EXPENSES	519,787	442,429
ENTRY TAX	9,458,063	28,248,216
ERECTION CHARGES	111,441,077	128,725,455
FABRICATION CHARGES	30,395,413	97,261,274
CONSUMPTION - FUEL	189,049	322,838
INSPECTION CHARGES	4,938,928	3,795,689
MATERIAL HANDLING CHARGES	31,300	319,276
PACKING & FORWARDING	2,984,394	9,513,033
PLATING CHARGE	7,650	600
POWER & LIGHT	16,007,981	22,845,415
CONSUMPTION - GAS	1,507,777	2,966,438
CONSUMPTION - OILS	3,618,384	17,778,685
REPAIRS & MAINT	1,583,905	4,803,403
TESTING CHARGES	3,644,918	6,243,253
SURVEY EXPENSES	575,315	
TOTAL	210,264,166	396,863,922
b) Selling & Distribution Expenses		
ADVERTISEMENT	1,453,202	4,636,600
CARRIAGE OUTWARD	29,510,909	50,283,823
SALES COMMISSION	1,654,500	1,829,912
EXPORT TAX	967,809	3,001,042
LICENCE AC	598,835	364,178
REGISTRATION & RENEWALS	232,723	2,576,776
SALES TAX AFTER ASSESSMENT	16,021	3,889,171
SALES TAX / VAT	40,988,845	194,862,882
SEMINAR & TECHNICAL CONF	144,120	2,904,314
TENDER FEES	515,603	145,783
TOTAL	76,082,567	264,494,481
c) Establishment Expenses		
AUDIT FEES	620,564	618,595
CORPORATE SOCIAL RESPONSIBILITY	-	151,250
PROFESSIONAL TAX	5,000	2,500
CONSULTANCY CHARGES	22,069,470	57,666,914
CONVEYANCE	4,705,006	8,603,678
DONATION	45,200	1,387,851
FACTORY EXPENSES	345,022	3,360,343
INSURANCE	4,615,287	3,771,083
LIC KEYMAN INSURANCE PREMIUM	2,531,756	2,525,062
PF ADMINISTRATIVE CHARGES	330,305	
LEAVE TRAVEL EXPENSES	3,056,953	2,974,874
LOSS ON SALE/REVALUATION/WOFF OF FIXED ASSETS	626,424	54,201
LEGAL EXPENSES	2,185,089	2,893,705
LICENCE AC	73,400	
MISC EXPENSES	432,590	60,791
NEWSPAPERS & PERIODICALS	53,047	67,992
OFFICE EXPENSES	2,636,578	3,530,434
RENT	16,612,592	14,412,131
POSTAGE & TELEGRAMS	809,300	1,176,700
PRINTING & STATIONARY	2,285,972	3,618,578
PROPERTY TAX	788,268	444,981
REPAIRS & MAINT-VEHICLES	2,710,954	3,523,440
REPAIRS & MAINT-BUILDING	285,827	2,954,702
REPAIRS & MAINT-COMPUTER	310,333	1,124,209
ELECTRICITY EXPENSES	140,191	
SECURITY SERVICES	3,116	8,387
TELEPHONE CHARGES	3,641,475	5,433,028
TRAVELLING EXPENSES	21,459,699	33,245,334
TOTAL	93,379,416	153,610,763

	(Amount in Rs.)	(Amount in Rs.)
* PAYMENT TO AUDITORS		
Audit Fee	500,000	500,000
Tax Audit Fee	45,000	45,000
Other Services	75,564	73,595
TOTAL	620,564	618,595
25 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS		
25.1 VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Raw Materials	33,795,067	60,033,509
Capital Goods	-	75,891,780
	33,795,067	135,925,289
25.2 DETAILS OF CONSUMPTION OF IMPORTED & INDIGENOUS ITEMS		
Raw Material, Stores & Spares Consumed		
Imported	33,795,067	60,033,509
Indigenous	945,954,881	2,405,078,370
	979,749,948	2,465,111,879
25.3 EXPENDITURE IN FOREIGN CURRENCY:		
CAPITAL	-	6,315,692
OTHERS	-	8,167,495
	-	14,483,187
25.4 EARNING IN FOREIGN EXCHANGE		
FOB value of export	15,561,320	18,030,187
26 EARNING PER SHARE (EPS)		
i) Net Profit after tax as per Statement of profit and loss attributable to equity shareholder	(586,858,077)	(33,282,573)
ii) Weighted Average number of equity shares used as denomination for calculating Basic EPS	17,770,080	16,624,580
iii) Weighted Average number of equity shares used as denomination for calculating Diluted EPS	17,770,080	19,304,248
iv) Basic earning per share	(33.03)	(2.00)
v) Diluted earning per share	(33.03)	0.07
vi) Face value per equity share	10	10.00
"GEI Power Limited, a subsidiary of the Company, raised funds during the year by issuing optionally convertible securities as per terms agreed between the Parties. Its impact on earnings and financials of the Company, if any, is inept of quantification at this stage and accordingly has not		
27 AMOUNT REMITTED IN FOREIGN CURRENCY DURING THE YEAR ON ACCOUNT OF DIVIDEND		
	2012-13	2011-12
	(Final Dividend)	(Final Dividend)
a) Number of Equity Shares held by them		3,309,681
b) (i) Amount of Dividend paid (gross) *		3,309,681
Amount paid in Foreign Currency		17,200
(ii) Tax Deducted at Source	-	-
(iii) Year to which dividend relates	2011-12	2010-11
* Eligible for dividend with repartition benefits.		

28 Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Vemaa Industries Limited	Enterprises Related to Key Management Personnel
2	JBL Engineering Pvt. Ltd.	Enterprises Related to Key Management Personnel
3	Mr. C E Fernandes	Key Management Personnel
4	Mr. Bernard John	Key Management Personnel
5	Mr. P L Mundhra	Key Management Personnel
6	Mrs. Evelyn Fernandes	Key Management Personnel
7	Mr. D Laxminarayan	Key Management Personnel
8	Mr. Robinson Fernandez	Key Management Personnel

(ii) Transactions during the year with related parties :

(Amount in Rs.)

Sr. No.	Nature of Transaction	Director are related	Key Management Personnel	Total
a.	Purchase of Material / Services/ Other Expenses	8,279,804		8,279,804
b.	Employee benefit expenses		22,441,909	22,441,909
c.	Rent		4,200,000	4,200,000
d.	Inter Corporate Deposits	3,900,000		3,900,000
e.	Interest		1,300,296	1,300,296

29 CONTINGENT LIABILITIES AND COMMITMENTS

As at
31st March, 2013

As at
31st March, 2012

(i) Contingent Liabilities

(A) Claims against the company not acknowledged

as debts

Income Tax

Sales Tax

NIL

15723813

6888704

NIL

143244445

6721845

(B) Guarantees

(i) guarantees to banks and financial institutions against credit facilities extended to third parties (Corporate guarantee given to bank / financial institutions against loans to subsidiary company GEI Power Limited)

1157575000

1157575000

(ii) Performance Guarantees

NIL

NIL

(a) In respect of joint ventures

(b) In respect of others

1082179097

1087218434

(iii) Outstanding guarantees furnished to Banks and financial institutions including in respect of letters of credits

(a) In respect of joint ventures

NIL

NIL

(b) In respect of others

NIL

NIL

(C) Others Money for which the company is contingently liable

(i) Liability in respect of bills discounted with banks (Including third party bills discounting)

(a) In respect of joint ventures

NIL

NIL

(b) In respect of others

334404609

455514147

(against bills discounted from IFCI & SBI Global Factors Limited & IDBI BANK LTD)

(II) Commitments

(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:

Tangible assets

NIL

NIL

Intangible assets

NIL

NIL

(B) Uncalled Liability on shares and other investments partly paid

NIL

NIL

Dividend & Divident Tax Paid on preference shares

23183376

(C) Others commitments

(a) Sales tax deferred liability assigned

NIL

NIL

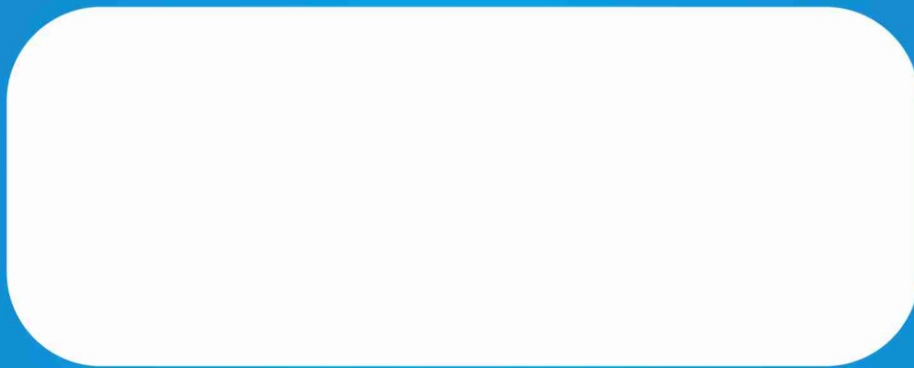
(b) Guarantee against future cash calls*

NIL

NIL

NOTE

NOTE



GEI INDUSTRIAL SYSTEMS LTD

ENERGY SYSTEMS & SOLUTIONS

Growth through innovation

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

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