

**GRACE INFRASTRUCTURE
PRIVATE LIMITED**

A - 5, Industrial Estate, Thattanchavady,
Pondicherry - 605 009. INDIA

PHONE : + 91 - 413 - 2248225
FACSIMILE : + 91 - 413 - 2249154
e-mail : mail@fastenex.co.in

Minutes of the First Meeting of the Board of Directors of Grace Infrastructure Private Limited held on 21st June 2004 at the registered office of the company at 10.00 a.m.

Present:

1. Mr. L. M. Shah - Managing Director
2. Mr. A. L. Shah - Director

The Directors present unanimously elected Mr. L. M. Shah, Director as chairman of the meeting.

Mr. L. M. Shah, Director of the company occupied the chair.

Mr. L. M. Shah produced before the meeting the certificate of incorporation issued by the Registrar of Companies, Pondicherry bearing Registration No.59 - 01786 of 2004 and corporate identity number C IN U 40106 P Y 2004 P T COOI 786 dated 17-06-2004.

Mr. L. M. Shah also produced a copy of the Memorandum and Articles of Association of the Company as registered with the Registrar of companies, Pondicherry in the prescribed form.

Mr. A. L. Shah, Director appreciated the relentless efforts put forth by Mr. L. M. Shah in complying all the legal formalities for the incorporation of the company.

The Board of Directors also took note that Mr. L. M. Shah and Mr. A. L. Shah be appointed as the First Directors of the company by virtue of Article No. 7.2.

Chairman of the Board of Directors:

The Directors of the company unanimously appointed Mr. L. M. Shah as Chairman of the company by passing the following resolution.

"RESOLVED that Mr. L. M. Shah be and is hereby appointed as the chairman of the Board of Directors of the company".

Appointment of Managing Director:

By virtue of Article No. 8.1 of the Articles of Association of the company, the Board of Directors appointed Mr. L. M. Shah as Managing Director of the company by passing the following resolution unanimously.

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-2-

"RESOLVED that Mr. L. M. Shah, Director be and is hereby appointed as the Managing Director of the company until further notice or the next Annual General Meeting.

"FURTHER RESOLVED that Mr. L. M. Shah shall discharge his duties of Managing Director subject to the superintendence control and direction of the Board of Directors of the company".

"FURTHER RESOLVED that Mr. L. M. Shah is not entitled for any remuneration or perks for his office of Managing Director".

Appointment of Auditors:

The Directors appointed Ganesan & Co., Chartered Accountants as the First Auditors of the company by passing the following resolution.

"RESOLVED that pursuant to section 224 (5) of the Companies Act, 1956 Ganesan & Co., Chartered Accountants, Pondicherry be and is hereby appointed as the first Auditors of the company to hold office until the conclusion of the First Annual General Meeting of the company at a remuneration to be fixed by the Board in consultation with the Audit Firm Concerned.

Fixation of First Financial Year and Second and Subsequent Financial Years:

The Directors present fixed the First financial year of the company as from the date of incorporation 17th June 2004 to 31 st March 2005 and the subsequent financial years be the period from 1st April to 31st March.

In this regard the following resolution Was passed in the Meeting:

"RESOLVED that subject to the approval of the Income Tax authorities, the First Financial Year of the company be the period from the date of incorporation of the company, viz., 17-06-2004 to 31-03-2005, both days inclusive, and that the second and the subsequent FINANCIAL YEARS of the company be the period from 1st April to 31st March in each year".

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-3-

Opening of Bank Account:

The Directors present discussed for a while on opening of Bank account in the name of the company and passed the following resolution unanimously.

"RESOLVED that a Current Banking Account of Grace Infrastructure Private Limited be opened with State Bank of India, Siruthozhil Branch, Pondicherry in the name of the company and Mr. L. M. Shah, Managing Director and Mr. A. L. Shah, Director be and are hereby severally authorised to operate the account and that the said Bank be and is hereby authorised to honour cheques, Bills of exchange and Promissory Notes drawn, accepted or made on behalf of the company by him and to act on any instructions so given, relating to the account whether the same be overdrawn or not, relating to the transactions of the company".

"RESOLVED FURTHER that Mr. L. M. Shah, Managing Director be and is hereby authorised to take necessary steps to open the said account and to execute such deeds, documents and papers as may be desired by the Bank".

Situation of Registered office:

A Copy of the Form - 18 pursuant to section 146 of the Companies Act, 1956 filed with the Registrar of Companies was placed before the Board showing that the registered office of the company be at A-5, Industrial Estate, Thattanchavady, Pondicherry - 605009

Printing of Form of Share Certificates:

Mr. A. L. Shah, Director produced a design of Share Certificate of the company and sought for the approval of the Board for the same to issue Certificates of Shares to the Shareholders of the company.

The Director present perused the design and after discussion passed the following unanimous resolution.

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-4-

"RESOLVED that the Share Certificates for issue of Equity Shares of the company be printed as per design submitted to this meeting and they be consecutively machine - numbered and that the certificates and design etc., relating to the printing of such certificates be kept in the custody of Mr. L. M. Shah, Managing Director.

Adoption of Common Seal :

The Directors of the company passed the following resolution for adopting the common seal of the company.

"RESOLVED that the Common Seal of the Company which was submitted to this meeting by, Mr. L. M. Shah, Managing Director Pursuant to Section 34 of the Companies Act, 1956 be and is hereby adopted as the Common Seal of the Company and kept under the safe custody of the Mr. L. M. Shah Managing Director of the company".

With the permission of the Chair, the Directors of the meeting discussed on the agenda for setting up of wind Farm Project.

The Chairman informed the Board that the group company LEO Fasteners has installed 4 wind mills between year 2002 - 2004 . This project had been considered as a CDM Initiative and subsequently a CDM Project Design Document is being prepared by the consultant , to be submitted for UNFCCC registration.

The Chairman proposed that, Grace Infrastructure Private Ltd., will also go for adding more projects in wind mill and other renewable energy areas. This will help the group's contribution to green energy in the long run.

Even though the initial investment is high , being in green energy , it will be possible for us to get CDM revenues , and with CDM revenues , the project's viability will improve. The Company will structure this project as a CDM Project.

The chairman requested the board to pass the necessary resolutions for the said purpose.

After some discussion the following resolutions were passed.

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- 5 -

"RESOLVED that :-

- a) The wind mills shall be purchased and commissioned in the name of the company and the Project to be structured as a CDM project.
- b) The power generated from this wind mill will be sold to TNEB as per their norms.
- c) Appropriate Power purchase agreement will be made.
- d) Loan can be obtained from Banks or others in the name of the company for setting up of Wind Mills projects.
- e) Insurance shall be covered on the wind mills separately.
- f) The project execution and commission can be done in 2-3 phases.

Mr. A. L. Shah proposed vote of thanks to the chair, Director and the chairman declared the meeting closed.



**L. M. Shah
Chairman**

Pondicherry
09-07-2004.