

GITA RENEWABLE ENERGY LIMITED



Third Annual Report 2012-13



GITA RENEWABLE ENERGY LIMITED

BOARD OF DIRECTORS

Mr. Ravi Kumar Gupta	Chairman & Managing Director
Mr. Vishal Bakshi	Director
Mr. C.K. Sharma	Director

REGISTERED OFFICE

No.167, St.Mary's Road,
Alwarpet,
Chennai -600 018

Website : www.gitarenewable.com

AUDITORS

M/s. Chaturvedi & Company
Chartered Accountants
Chennai - 600 017

REGISTRAR & SHARE TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building,
No. 1, Club House Road
Chennai - 600 002



NOTICE

NOTICE is hereby given that the THIRD ANNUAL GENERAL MEETING of the Members of the Company will be held on Monday, the 30th September, 2013, at 9.00 A.M. at the registered office of the Company at 167, St.Mary's Road, Alwarpet, Chennai – 600 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2013 together with the Statement of Profit and Loss for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint auditors and to fix their remuneration, in this connection to consider and if thought fit to pass the following resolution as an Ordinary Resolution.

“RESOLVED that M/s. Chaturvedi & Company, Chartered Accountants, [Firm Registration No. 302137E] Chennai, the retiring auditors of the company be and are hereby re-appointed as Auditors of the company to hold such office until the conclusion of the next Annual General Meeting at remuneration to be decided by the Board of Directors.”

SPECIAL BUSINESS:

3. **Approval of appointment of Mr. Ravi Kumar Gupta as Chairman and Managing Director**

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

“RESOLVED that pursuant to the Articles of Association of the Company and Sections 198, 269, 309, 310, 311 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Ravi Kumar Gupta as Chairman and Managing Director of the Company for a period of five years commencing from 3rd June, 2013 at remuneration not exceeding Rs.50,000/- (Rupees Fifty Thousands only) per month inclusive of all Benefits, perquisites and allowances as determined by the Board of Directors of the Company.”

“RESOLVED FURTHER that pursuant to the provisions of sections 198, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to the approval of the Central Government, the consent of the members be and is hereby accorded to payment of Rs.50,000/- (Rupees Sixty Thousands only) per month as minimum remuneration to Mr. Ravi Kumar Gupta, Chairman and Managing Director of the Company, in the event of the Company having no profits or inadequate profits, for the periods not exceeding three years, in which his present term is completed.”

“RESOLVED FURTHER that Board of Directors of the Company be and is hereby authorized severally to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”



4. Appointment of Mr.Vishal Bakshi as a Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that Mr.Vishal Bakshi, who was appointed as an Additional Director by the Board of Directors of the Company on 03.06.2013 and who holds office until the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956, in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. Appointment of Mr.C.K.Sharma as a Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that Mr.C.K.Sharma, who was appointed as an Additional Director by the Board of Directors of the Company on 03.06.2013 and who holds office until the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956, in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By Order of the Board,

Date: 6th August, 2013

Place: Chennai

RAVI KUMAR GUPTA

Chairman & Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A blank FORM OF PROXY is enclosed with this notice and if intended to be used, it should be sent to the registered office of the company not less than forty-eight hours before the scheduled time of the Annual General Meeting.
3. The Register of Members of the Company and Share Transfer Books will remain closed from **24th September 2013 to 30th September 2013** (both days inclusive).
4. Members are requested to contact our Registrar and Transfer Agent: Cameo Corporate Services Ltd. No.1 Club House Road, Chennai - 600 002 for any query / grievance pertaining to share transfers / holdings.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No: 3

Mr. Ravi Kumar Gupta was designated as Chairman and Managing Director of the Company effective from 03.06.2013 on the following terms as approved by the Board of Directors at the Meeting held on 03.06.2013:

I. Salary:

Rs.50,000/- (Rupees Fifty Thousands only) per month inclusive of all Benefits, Perquisites, Allowances determined by the Board from time to time.

II. Minimum Remuneration:

In the event of the Company having no profits or inadequate profits, for the periods not exceeding three years, in which his present term is completed, the payment of salary, perquisites and other allowances shall be restricted to Rs.50,000/- (Rupees Fifty Thousands only per month as minimum remuneration in terms of Section II of Part II of Schedule XIII to the Companies Act, 1956.

The Board recommends the resolution as set out in Item No. 3 for approval of the members as a special resolution.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956.

No Director, other than Mr. Ravi Kumar Gupta is concerned or interested in the said Resolution.

Item No: 4 & 5

Mr. Vishal Bakshi and Mr. C.K.Sharma were co-opted as Additional Directors of the Company under Section 260 of the Companies Act, 1956 with effect from 03.06.2013 to hold office till the commencement of this Annual General Meeting.

Notices in writing from the members have been received by the Company under Section 257 of the Companies Act, 1956 signifying their intention to propose the candidature of Mr. Vishal Bakshi and Mr. C.K.Sharma for appointment as Directors of the Company. Mr. Vishal Bakshi and Mr. C.K.Sharma, being eligible, offer themselves for re-appointment.

Accordingly, the Board recommends passing of Resolutions as set out in item Nos. 4 & 5 as Ordinary Resolutions.

No Director, other than Mr. Vishal Bakshi and Mr. C.K.Sharma is concerned or interested in the respective Resolutions.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 3rd Annual Report together with the Audited Accounts for the financial year ended 31st March 2013.

FINANCIAL HIGHLIGHTS:

The summarized Financial Results for the year ended 31st March 2013 and for the previous financial year ended 31st March 2012 are as under:

(Rs. in Lakhs)

PARTICULARS	Year Ended 31.03.2013	Year Ended 31.03.2012
Revenue from Operations	622.69	-
Total Revenue	622.69	-
Total Expenses	614.84	-
Profit after Interest & Depreciation	7.85	(0.17)
Provision for Tax	1.49	-
Deferred Tax	10.55	-
Profit after Tax	(4.19)	(0.17)
Add: Taxation Adjustments of Previous Years	-	-
Add: Balance of Profit brought from previous year	-	-
Profit available for Appropriation	-	-
APPROPRIATIONS		
Equity Dividend Proposed (Final)	-	-
Dividend Distribution Tax (Final)	-	-
Transfer to General Reserve	-	-
Balance Carried Forward	-	-

SCHEME OF ARRANGEMENT:

The Honourable High Court of Judicature at Madras vide its Order dated 04.01.2013 sanctioned the Scheme of Arrangement between Kanishk Steel Industries Limited ("Demerged Company"), Gita Renewable Energy Limited ("the Company" or "First Resulting Company") Chennai Ferrous Industries Limited ("Second Resulting Company") and their respective Shareholders under Section 391 to 394 of Companies Act, 1956 ("the Scheme"). Pursuant to the Scheme, the Power Division of Kanishk Steel Industries Limited has been vested with the Company, as a going concern basis. The Scheme became effect on 28.02.2013.

The Demerged Company fixed 05.04.2013 as Record date for ascertaining its Members who would be entitled to receive the shares as mentioned below:

- 1 (one) equity share in Gita Renewable Energy Limited of face value of Rs.10/- each as fully paid up for 7 (Seven) equity shares of Rs.10/- each fully paid up held in the Demerged Company;



Accordingly, the Board of Directors of the Company allotted 4062296 numbers of Equity Shares of Rs.10/- each fully paid up on 19.04.2013 pursuant to scheme. The cost of acquisition of Equity Shares in the Demerged Company and Resulting companies has been apportioned as follows: Kanishk Steel Industries Limited: 36.36%; Gita Renewable Energy Limited: 34.80% and Chennai Ferrous Industries Limited : 28.85%.

LISTING OF SHARES:

The Company has filed an application seeking listing of shares at Bombay Stock Exchange, Mumbai (BSE). Approval from BSE is expected shortly.

The information Memorandum filed with BSE is available in the Company's website www.gitarenewable.com

DIVIDEND:

Your Board of Directors has not declared any dividend for the year.

DIRECTORS:

During the year 2012-13, there is no change in directorship, under review. Mr.Ravi Kumar Gupta was designated as Chairman and Managing Director of the Company on 03.06.2013 and the Board of Directors seeks Members' ratification at the ensuing Annual General Meeting.

Mr.Vishal Bakshi and Mr.C.K.Sharma were appointed as Additional Directors on 03.06.2013 and they are proposed to appoint as Directors of the Company at the ensuing Annual General Meeting.

Mr.Rajesh Kumar Gupta and Ms.Avantika Gupta resigned as Directors of the Company on 03-06-2013. The Board expresses its sincere thanks and appreciation for their services during their tenure.

AUDITORS' REPORT:

The observations made in the Auditors' Report and Notes on accounts are self-explanatory and do not require any further explanations.

FIXED DEPOSITS:

The Company has not accepted any deposit during the year.

AUDITORS:

M/s.CHATURVEDI & COMPANY, Chartered Accountants, Chennai retire at the conclusion of the ensuing Annual General Meeting and they are eligible for reappointment.

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

Particulars with respect to Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo as required under section 217 (1) (e) of the companies Act,1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure I and form part of this report.



PARTICULARS OF EMPLOYEES:

For the year 2012-13 under review, the information required as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, about the particulars of employees is not provided as there are no employee who are in receipt of remuneration of more than Sixty lakhs rupees per financial year and Five Lakhs rupees per month.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to requirements under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- (i) the applicable accounting standards have been followed in preparation of annual accounts for financial year ended 31st March, 2013 and proper explanations have been furnished relating to material departures;
- (ii) the accounting policies have been selected and applied consistently and reasonably and prudent judgments and estimates have been made so as to give a true and fair view of state of affairs of the Company at end of financial year and of loss of the Company for year under review;
- (iii) the proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts for financial year ended 31st March 2013 have been prepared on a going concern basis.

DEMATERIALISATION OF SHARES:

The company has entered into an agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) for dematerialization of the Company's shares. Members are requested to hold their shares in demat form since it will help for easy trading of shares. Holding of shares in demat form is not compulsory but only optional.

PERSONNEL:

Personnel relations with all employees remained cordial & harmonious throughout the year under review. Your Directors wish to place on record their deep appreciation to the efficient and loyal services rendered by all staffs and workman of the company.

ACKNOWLEDGEMENT:

Your Directors place on record their great appreciation of the fine efforts of all Executives and Employees of the Company. The Directors also express their sincere thanks to various Departments of Central Government, Government of Tamilnadu, TNEB, State Bank of India, State Bank of Patiala, Corporation Bank and other commercial Banks, the Customers, Shareholders and investors for their unstinted support and assistance during the year and look forward to their continuous support assistance and encouragement in future.

For and on behalf of Board of Directors
of Gita Renewable Energy Limited,

Date: 6th August, 2013
Place: Chennai

RAVI KUMAR GUPTA
Chairman and Managing Director



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - I

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken – NIL
- (b) Additional Investment and proposals if any, being implemented for reduction of consumption of energy – NIL
- (c) Impact of measures at (A) and (B) above for reduction of energy consumption and consequent impact on the cost of production of goods – NIL
- (d) Total Energy Consumption and energy consumption per unit of production- NIL

B. TECHNOLOGY ABSORPTION

- (e) Efforts made in Technology absorption as per Form-B:

Form B

Form of disclosure of particulars with respect to Technology absorption etc..,

- I. Research and Development NIL
- II. Technology Absorption, adaption and innovation NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

2012-2013

(Amount in Rs.)

- 1. Total Foreign Exchange earned NIL
- 2. Total Foreign Exchange used NIL

For and on behalf of Board of Directors
of Gita Renewable Energy Limited,

RAVI KUMAR GUPTA

Chairman and Managing Director

Date: 6th August, 2013

Place: Chennai



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GITA RENEWABLE ENERGY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Gita Renewable Energy Limited, 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 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 profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



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.

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS
FRN 302137E

S. GANESAN
Partner

Membership No.: 217119

PLACE : Chennai
DATE: 06-08-2013



Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) The Company has not disposed of substantial part of the Fixed Assets during the year which could affect the going concern status of the Company.
- (ii) (a) to (c) The company does not have tangible Inventory. Accordingly the provisions of clause 4(ii) of the Order are not applicable.
- (iii) As per the information and explanation given to us and as per the records produced to us, the company has not granted any unsecured loans to companies and parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal controls system.
- (v) (a) We are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under the said section;
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public.
- (vii) In our opinion, the company's in-house internal audit system is commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect the products pursuant to the rule made by the Central Government of India regarding the maintenance of cost records and we are of the opinion that, prima facie, the prescribed account and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities, wherever applicable and no dues are pending for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company, there were no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has been registered for a period less than five years. Accordingly the provisions of clause 4(x) of the Order are not applicable to the company.



- (xi) The company has not defaulted in repayment of loans availed from Banks. The company has no borrowings from financial institution and has not issued debentures.
- (xii) The company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of Clause 4(xii) of the order are not applicable to the company.
- (xiii) The Company is not a chitfund, nidhi, mutual benefit fund or society and therefore the requirements pertaining to such class of companies is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. There are no investments in shares held by the company.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions and hence the requirement as to reporting whether the terms and conditions are prejudicial to the interest of the Company does not arise.
- (xvi) On the basis of review of utilization of funds on an overall basis, in our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we are of the opinion that there are no funds raised on short-term basis which have been used for long term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The company has not raised any money by way of public issue during the year. However the company has issued shares and made application of the same as per the scheme of arrangement approved by the Hon'ble High Court of Madras.
- (xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS
FIRM REG No. 302137E

PLACE: Chennai
DATE: 06-08-2013

S. GANESAN
Partner
Membership No.217119



GITA RENEWABLE ENERGY LIMITED
BALANCE SHEET AS AT 31-MARCH-2013

PARTICULARS	NOTE No.	AS AT 31.03.2013 (Amount in Rs.)	AS AT 31.03.2012 (Amount in Rs.)
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS FUNDS			
a. Share Capital	3	41,122,960	500,000
b. Reserves & Surplus	4	220,556,489	(41,952)
2. NON CURRENT LIABILITIES			
a. Long term borrowings	5	552,620,514	10,000
b. Deferred Tax Liabilities (Net)		93,055,041	-
3. CURRENT LIABILITIES			
a. Trade Payables		42,452,145	-
b. Other current liabilities	6	34,600,500	22,369
c. Short term provisions (Tax)		149,604	-
		984,557,253	490,417
B. ASSETS			
4. Non Current Assets			
a. Fixed Assets			
Tangible Assets	7	456,386,605	-
b. Long term Loans & Advances		317,526,026	-
5. Current Assets			
a. Trade Receivables	8	209,295,470	-
b. Cash & Cash Equivalents	9	489,867	490,417
c. Prepaid Expenses		859,286	-
		984,557,253	490,417

Significant Accounting Policies

2

Additional Information to Financial Statements

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Accompanying Notes are an integral part of the Financials Statements.

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS
FRN 302137E

RAVI KUMAR GUPTA
Chairman & Managing Director

S GANESAN

Partner (Memb.No:217119)

C K SHARMA

Director

Place: Chennai, Date: 06-08-2013



GITA RENEWABLE ENERGY LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-MARCH-2013

PARTICULARS	NOTE No.	YEAR ENDED 31.03.2013 (Amount in Rs.)	YEAR ENDED 31.03.2012 (Amount in Rs.)
1. Revenue from Operations (Net)		62,269,625	-
2. Total Revenue		62,269,625	-
3. Expenses			
a. Finance Costs	11	21,452,925	550
b. Depreciation and Amortisation expenses	7	23,869,448	-
c. Other expenses	12	16,162,135	16,854
Total Expenses		61,484,508	17,404
4. Profit before tax (2 - 3)		785,117	(17,404)
5. Tax Expense			
a. Current Tax		149,604	-
b. Deferred tax		1,055,041	-
6. Profit/(Loss) for the year (4 - 5)		(419,528)	(17,404)
Earnings Per Share (Basic & Diluted)	19	(1.08)	(0.35)

Significant accounting policies 2

Additional information to financial statement 14

Accompanying notes are an integral part of the financial statements.

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
 CHARTERED ACCOUNTANTS
 FRN 302137E

S GANESAN

Partner (Memb.No:217119)

Place: Chennai, Date: 06-08-2013

RAVI KUMAR GUPTA
 Chairman & Managing Director

C K SHARMA
 Director



GITA RENEWABLE ENERGY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

PARTICULARS	YEAR ENDED 31.03.2013 (Amount in Rs.)		YEAR ENDED 31.03.2012 (Amount in Rs.)	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Extraordinary Items		785,117		(17,404)
Adjustments for :				
Provision for Depreciation	23,869,448		-	
Interest Expense	21,452,375		-	
		45,321,823		-
Operating Profit before working capital changes		46,106,941		(17,404)
Adjustments for Changes in:				
Trade Receivables	157,012,944		-	
Trade Payables	8,587,275		-	
Prepaid expenses	(859,286)		-	
Other Current Liabilities	34,578,131		16,854	
		199,319,064		16,854
		245,426,005		(550)
Less: Taxes Paid		-		-
Net Cash Flow from operating activities (A)		245,426,005		(550)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Sale of Fixed Assets	20,718,283		-	
Long Loans and advances	(317,526,026)		-	
Net Cash Flow from Investing activities (B)		(296,807,743)		-
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Long term borrowings	72,833,563		-	
Interest paid	(21,452,375)		-	
Net Cash Flow from Financing activities (C)		51,381,188		-
Net Increase in cash Equivalents (A)+(B)+(C)		(550)		(550)
Cash & Cash Equivalents (Opening Balance)	490,417		490,967	
Cash & Cash Equivalents (Closing Balance)	489,867		490,417	
Net Increase/(Decrease) in Cash & Cash Equivalents		(550)		(550)

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
 CHARTERED ACCOUNTANTS
 FRN 302137E

S GANESAN

Partner (Memb.No:217119)

Place: Chennai, Date: 06-08-2013

RAVI KUMAR GUPTA
 Chairman & Managing Director

C K SHARMA

Director



Notes attached to and forming part of the Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss for the period ended on that date:

1. CORPORATE INFORMATION:

Gita Renewable Energy Limited (the company) was incorporated under the Companies Act, 1956, in the year 2010. The Power Division of Kanishk Steel Industries Limited has been demerged and vested in the Company pursuant to the scheme of Arrangement. The company is in the process of listing its shares in Bombay Stock Exchange Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation:

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under historical cost convention on the accrual method of accounting except as disclosed in the notes and materially comply with the mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI) and the Institute of Chartered Accountants of India except to the extent disclosed in the following notes. The accounting policies adopted in preparation of financial statements are consistent with those of previous year except for change in accounting policy initially adopted or a revision to the existing accounting policy that requires a change as against the one hitherto in use.

2.2 Use of Estimates

The preparation of financial statements requires the Company to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as of the date of financial statements and the reported amounts of income and expenses during the reporting period. The Company believes that the estimates used in the preparation of the financial statements as prudent and reasonable. Future results could differ from these estimates.

2.3 Revenue Recognition:

Sale is recognized on export of power. Sale is net of trade discount, includes excise duty and excludes sales tax recovered. Insurance claim is accounted in the year of receipt.

2.4 Depreciation:

Depreciation is provided on straight-line method as per the rates specified under Schedule XIV of the Companies Act, 1956 on pro-rata basis.

2.5 Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of inland freight, duties taxes and incidental expenses related to acquisition with due adjustments for Cenvat / VAT credits and as adjusted by revaluation and related expenditure less accumulated depreciation.

Capital work in progress includes cost of Machinery to be installed, construction & erection materials and unallocated preoperative expenses.



2.6 Impairment

At each Balance Sheet date, the Company assesses whether there is any indication that Fixed Asset have suffered an impairment loss. If any such indication exists, the recoverable amount of the Asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

As per the assessment conducted by the company at March 31, 2013, there was no indications that fixed asset have suffered an impairment loss.

2.7 Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. In respect of the transactions covered by Forward Exchange Contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognized as Income or Expense over the life of the Contract. Transactions not covered by forward exchange rates and outstanding at year end are translated at exchange rates prevailing at the year end and the profit/loss so determined and also the realized exchange gain/losses are recognized in the Profit & Loss Account.

2.8 Borrowing Cost:

All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets, which are capitalized. During the year under review, there was no borrowing attributable to qualifying assets and hence no borrowing cost was capitalized.

2.9 Segment Accounting:

Segments are identified based on the types of products and the internal organization. The company has identified business segments as its primary reporting segment. The company's primary segment is Power. Further there is no reportable secondary segment. i.e., Geographical segment.

2.10 Taxes on Income:

- (a) Provision for current tax is made in accordance with the Income Tax Act, 1961.
- (b) In accordance with the Accounting Standard AS-22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, Deferred Tax Liability / Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, Deferred Tax Assets are recognized only if there is a reasonable / virtual certainty of realization thereof.

2.11 Provisions and Contingencies:

Provisions involving a 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 there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated.

Differences between the actual results and estimates are recognized in the year in which the results are known materialized.



NOTES FORMING PART OF BALANCE SHEET

PARTICULARS	AS AT 31.03.2013		AS AT 31.03.2012	
	No. of shares	(Amount in Rs.)	No. of shares	(Amount in Rs.)
3. SHARE CAPITAL				
I. Authorised Share Capital:				
Equity Shares of Rs.10 each				
Opening Balance	50000	500,000	50000	500,000
Increase during the year	4200000	42,000,000	-	-
Closing Balance	4250000	42,500,000	50000	500,000
II. Issued, subscribed and fully paid capital:				
Movement in Equity Shares				
Opening Balance	50000	500,000	50,000	500,000
Issued during the year	4062296	40,622,960	-	-
Closing Balance	4112296	41,122,960	50,000	500,000

a) Movement of Shares

Authorised Capital

Consequent to Scheme of Arrangement approved by the Honourable High Court of Judicature at Madras, the authorised capital increased from Rs. 500,000/- to Rs.42,500,000/-.

Issued, Subscribed and fully Paid up Capital

4062296 Number of shares of Rs.10/- each (fully paid-up) has been issued on 19.04.2013 to the Shareholders of Demerged Company as follows:

One equity share in company of face value of Rs.10/- each as fully paid up for Seven Equity shares of Rs.10/- each fully paid up held in the Demerged Company.

b) Terms / rights attached to equity shares:

The company has only one class of Equity share at face value of Rs.10/- per share. Every shareholder is entitled to one vote per share.

At the event of liquidation of the company, such shareholders will be entitled to receive the assets of the company, in proportion to the number of equity shares held by them in the Capital of the Company.



c) Details of shareholders holding more than 5%

PARTICULARS	AS AT 31.03.2013		AS AT 31.03.2012	
	No. of shares	%	No. of shares	%
Name of the shareholder				
Tamil Nadu Property Developers Ltd.	342857	8.34	-	-
Tamil Nadu Enterprises & Investment Pvt Ltd.	287928	7.00	-	-
Ameena Begam	285714	6.95	-	-
Radiant solutions Pvt. Ltd.	285714	6.95	-	-
Chennai Metal Recycling and Trading Company Pvt Ltd.	212797	5.17	-	-
Arvind Kumar Gupta	-	-	10000	20
Rajesh Kumar Gupta	-	-	10000	20
Ravi Kumar Gupta	-	-	10000	20
Sudha Gupta	-	-	5000	10
Alok Gupta	-	-	5000	10
Kanishk Gupta	-	-	5000	10
Vandana Gupta	-	-	5000	10

PARTICULARS	AS AT 31.03.2013 (Amount in Rs.)		AS AT 31.03.2012 (Amount in Rs.)	
	4. RESERVES AND SURPLUS			
a) General reserve				
Opening Balance	-		-	
Additions during the year	213,279,391		-	
Closing Balance		213,279,391	-	
b) Surplus				
Opening Balance	(41,952)		(24,548)	
Add: profit Transferred from Demerged Company (profit for the period from 01-07-2010 to 31-03-2012)	7,738,578		-	
Add: profit /Loss for the period	(419,528)		(17,404)	
Closing Balance		7,277,098		(41,952)
		220,556,489		(41,952)



PARTICULARS	AS AT 31.03.2013 (Amount in Rs.)	AS AT 31.03.2012 (Amount in Rs.)
5. LONG TERM BORROWINGS		
a. Secured - From Banks		
State bank of India Term loan A/c	147,138,514	-
b. Others		
OPG Renewable Energy Private Limited	439,770,000	-
Total	586,908,514	-
Less: Current Maturities of Long Term Borrowings	34,288,000	-
	552,620,514	-

Terms of repayment and rate of interest:

Rupee Term Loan of Rs.240,006,951/- is repayable in 28 quarterly instalments of Rs.8,572,000/- each and it carries an interest @12% pa.

Security:

Term Loan from Bank is secured by equitable mortgage of Land and Building including Plant and Machinery and also by hypothecation of Raw materials, Stock in process and Finished Goods. Corporate guarantee by M/s. Tamilnadu Property Developers Limited and also personally guaranteed by the CMD of the demerged company.

PARTICULARS	AS AT 31.03.2013 (Amount in Rs.)	AS AT 31.03.2012 (Amount in Rs.)
6. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings	34,288,000	-
Advance from Director (related party)	10,000	10,000
Outstanding Expenses	302,500	-
	34,600,500	10,000



PARTICULARS		GROSS BLOCK				DEPRECIATION			NET BLOCK	
		Assets transferred from Demerged Company as at 01-04-2012	Additions	Deletions	Balance as at 31-03-13	Depreciation transferred from Demerged Company as at 01-04-2012	FOR THE PERIOD	With drawn	UPTO 31-03-13	AS AT 31-03-13
LAND FREE HOLD - Wind mill	13,961,000	-	-	13,961,000	-	-	-	-	13,961,000	13,961,000
PLANT & MACHINERY - Wind Mill	550,166,688	-	-	550,166,688	145,384,662	21,516,182	-	166,900,844	383,265,844	404,782,026
FACTORY BUILDINGS - Power	63,969,580	-	-	63,969,580	6,942,773	2,170,077	-	9,112,850	54,856,730	57,026,807
POLLUTION CONTROL EQUIPMENT - power	5,387,922	-	-	5,387,922	901,702	183,189	-	1,084,891	4,303,031	4,486,220
	631,912,717	-	-	631,912,717	153,229,137	23,869,448	-	177,098,585	456,386,605	480,256,053
PARTICULARS							AS AT 31.03.2013 (Amount in Rs.)		AS AT 31.03.2012 (Amount in Rs.)	
8. LONG TERM LOANS AND ADVANCES										
Security Deposit							317,526,026		-	
							317,526,026		-	
9. TRADE RECEIVABLES										
Kanishk Steel Industries Ltd (related party)							175,974,501		-	
							175,974,501		-	



PARTICULARS	AS AT 31.03.2013 (Amount in Rs.)	AS AT 31.03.2012 (Amount in Rs.)
10. CASH & CASH EQUIVALENTS		
a) Cash on Hand	180	2,180
b) Cash at Bank	489,687	488,787
	489,867	490,967

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS

PARTICULARS	YEAR ENDED 31.03.2013 (Amount in Rs.)	YEAR ENDED 31.03.2012 (Amount in Rs.)
11. REVENUE FROM OPERATIONS		
Sale of Power Generated	62,269,625	-
	62,269,625	-
12. FINANCE COSTS		
Interest paid to Banks - term loan	21,452,375	-
Bank charges	550	550
	21,452,925	550
13. OTHER EXPENSES		
a. Repairs & Maintenance		
Machinery Repairs- wind mill repairs	7,670,370	-
Building Repairs & maintenance	898,941	-
b. Administrative Expenses		
Electricity Charges	3,408,552	-
Filing Fees	302,500	-
Travelling & Conveyance	1,089,134	-
Insurance	118,824	-
Distribution Expenses	1,153,273	-
Payment to Auditors		
- As Audit Fees	39,326	5,618
- As Tax Audit Fees	16,584	-
Professional & Consultancy Fees	-	11,236
Lease rent paid	360,000	-
Security expenses	1,104,528	-
Service Tax Paid	103	-
	16,162,135	16,854



14. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

- i) Contingent liability not provided for:
 - (a) Counter Guarantees furnished to the bank Nil (Previous year Nil)
 - (b) Towards outstanding Letter of Credit Rs Nil (Previous year Nil) on account of import of raw materials.
- ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. Nil (Previous year Rs. Nil pertaining to resulting company) and for others is nil.
- iii) Claims against the Company not acknowledged as Debt Rs. Nil. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil. Contingent liabilities not provided for: Nil
- iv) Employee Benefits - There are no eligible employees during the year 2012-13
- v) There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2013 which is on the basis of such parties having been identified by the management and relied upon by the auditors.
- vi) Company has circularized/sought confirmation of balance letters to/from sundry debtors & advance parties / sundry creditors. In the absence of negation, the balances appearing the books are taken as confirmed.
- vii) Value of Imported & Indigenous Raw Materials, Spare Parts Components consumed Nil (previous year Nil)
- viii) CIF Value of Imports: Nil
- ix) Remittance in Foreign Currency towards Dividend

	2012-2013	2011-2012
Number of Non resident Share Holders	2	-
Number of Shares Held	3000000	-
Amount Remitted (Rs.)	-	-

- x) Earnings in Foreign Currency Rs. Nil (Previous year Rs. Nil) Expenditure in Foreign Currency Rs. Nil (Previous year Nil).

15. RELATED PARTY DISCLOSURES

Details of related parties including summary of transactions entered into by the Branch during the year ended 31 March 2013 are summarized below:

Names of related parties and description of relationship:	
Key management personnel	Rajesh Kumar Gupta
	Ravi Kumar Gupta
	Avantika Gupta
Other Related Parties	Kanishk Steel Industries Limited
	Chennai Ferrous Industries Limited
	OPG Renewable Energy Private Limited

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

**Related party transactions:**

Particulars	Companies under key management personnel
Sale of Energy	589,017
Advance received	60,897,352
Demerger	701,335,217
Amount outstanding as on 31.03.2013 (Cr Balance)	272,857,325

16. SCHEME OF ARRANGEMENT

- Pursuant to the scheme of arrangement (“the scheme”) between Kanishk Steel Industries Limited (Demerged Company) and the company as sanctioned by the Hon’ble High Court of Judicature at Madras, vide its order dated 04-01-2013, the entire assets & liabilities, and duties & obligations of its power division pertaining to the demerged Company, were transferred to and vested in the company with effect from 01-07-2010 (Appointed date). The scheme became effective on 28-02-2013 and accordingly has been given effect to these financial statements.
- Details of Assets and Liabilities acquired pursuant to the Scheme of Arrangement (Demerger) and treatment of the difference between the net assets acquired and cost of investment by the Company in the Demerged Company together with the shares issued to the share holders of the Company.

Balance as at 01-07-2010

PARTICULARS	(Amount in Rs.)
Fixed Assets (Net Block including Capital W.I.P)	50,09,74,336
Short Term Loans and Advances	23,32,48,867
Total Assets	73,42,23,203
Long Term Borrowings	47,97,76,951
Trade Payables	5,43,901
Total Liabilities	48,03,20,852
Excess of Assets Over Liabilities	25,39,02,351

17. LICENCE AGREEMENT:

The Company has entered into a License Agreement on 26-04-2008 to give on license the 10MW power plant to OPG Renewable Energy Private Limited (OPGREPL) on the understanding that OPGREPL shall provide power to the company an interest free deposit of Rs.439,770,000/-. Accordingly it is grouped under unsecured loan.

18. SEGMENT INFORMATION FOR THE YEAR ENDED 31st MARCH 2013.

Business Segment:

- The Company operates in Single Business Segment of ‘Generation and distribution of power’. Therefore, the Company is of the view that the disclosure requirement of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable to the Company.

- (b) The Company has not yet been successful in its efforts to appoint a Company Secretary to fulfill the requirements of Section 383A of the Companies Act, 1956.

19. EARNING PER SHARE:

	2012-13	2011-12
a) Weighted Average No. of Equity Shares of Rs.10/- each		
I. No. of Shares at the beginning of the year	50,000	50,000
II. No. of Shares at the end of the year	4,112,296	50,000
Weighted average number of equity shares outstanding during the year	388,525	50,000
b) Net profit after tax available for equity shareholders (Rs.)	(419,528)	(17,404)
c) Basic and diluted earning per share (Rs.)	(1.08)	(0.35)

20. PREVIOUS YEAR FIGURES:

The financial statements for the current year include the figures relating to Power Division of Kanishk Steel Industries Limited whose assets and liabilities have been transferred to and vested with the Company with effect from 01.07.2010 pursuant to a scheme of arrangement. Hence the current year figures are not comparable with that of the previous year. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS
FRN 302137E

S GANESAN

Partner (Memb.No:217119)

Place: Chennai, Date: 06-08-2013

RAVI KUMAR GUPTA

Chairman & Managing Director

C K SHARMA

Director

GITA RENEWABLE ENERGY LIMITED

Registered Office: 167, St.Mary's Road, Alwarpet, Chennai - 600 018

ATTENDANCE SLIP

3rd ANNUAL GENERAL MEETING

To be handed over at the entrance of the Meeting hall

Date : 30.09.2013, Monday
Time : 9.00 A.M.
Place : 167, St.Mary's Road, Alwarpet, Chennai - 600 018

Folio Number / DP ID Number & Client ID :
Name of the Member/Proxy :
Number of Shares held :

I hereby record my presence at the 3rd Annual General Meeting of the Company.

Signature of Member/proxy

GITA RENEWABLE ENERGY LIMITED

Registered Office: 167, St.Mary's Road, Alwarpet, Chennai - 600 018

PROXY FORM

Folio Number / DP ID Number & Client ID :
Name of the Member/Proxy :
Number of Shares held :

I/We of being a Member / Members of the above-named company, hereby appoint of as my / our proxy to attend and vote for me / us and on my/ our behalf at the 3rd Annual General Meeting of the Company to be held at 167, St.Mary's Road, Alwarpet, Chennai - 600 018 at 9.00 A.M on Monday the 30th September 2013 and at any adjournment thereof.

Signed this day of 2013.

Affix Revenue Stamp

Note: The form of Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the above meeting

Signature of Member

