

GITA RENEWABLE ENERGY LIMITED



Fourth Annual Report 2013 - 14

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 **FOURTH ANNUAL GENERAL MEETING** of the Members of the company will be held on Tuesday, the 30th September, 2014, at 10.00 A.M. at Knowledge Tower, 4th Floor, New No. 36, Sanjeevarayan Pettai, Little Mount, Saidapet, Chennai- 600015 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements :

To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2014 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. Directors:

To appoint a Director, in the place of Mr.Chandikeshwar Sharma (DIN: 06598312), who retires by rotation and is eligible for re-appointment.

3. Appointment of Auditors :

M/s. Chaturvedi & Company, Chartered Accountants, the retiring auditors of the company are eligible for re-appointment.

SPECIAL BUSINESS:

4. Borrowing Powers :

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 provisions of Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 (including any amendments, statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow monies in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of Rs.100 Crore (One Hundred crore only) ;

RESOLVED FURTHER that the Board of the Company be and is hereby authorized to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

5. Mortgage of Assets :

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 provisions of Section 180 (1) (a) and any other applicable provisions of the Companies Act, 2013 (including any amendments, statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company



and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of Banks / Financial Institutions and / or other Lenders / Investing Agencies / Trustees for Debentures / Bonds to secure borrowings from time to time provided that the aggregate of borrowings so secured shall not exceed Rs.100 crore (Rupees One Hundred crore only) outstanding at any time exclusive of interest, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of such borrowings ;

"RESOLVED FURTHER that the Board of the Company be and is hereby authorized to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution."

6. Change of Registered office :

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 provisions of Section 12 and any other applicable provisions of the Companies Act, 2013 (including any amendments, statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder subject to such approvals, consents, sanctions and permissions, as may be necessary, the consent of the Company be and is hereby accorded to change the Registered office of the Company from No:167, St.Mary's Road, Alwarpet, Chennai -600018 to Survey No. 180 & 181, OPG Nagar, Periya Obulapuram village, Nagarajakandigai, Madharapakkam Road, Gummidipoondi - 601201;

RESOLVED FURTHER that the Board of the Company be and is hereby authorized to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution."

7. Adoption of new set of Articles of Association:

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

"RESOLVED that in accordance with provisions of Sections 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, statutory modification(s) or re-enactment thereof for the time being in force) and Rules made there under, and subject to necessary approval(s) if any, from the competent authorities, the new regulations contained in the Articles of Association submitted to this meeting be and is hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Date : 30thAugust,2014
Place : Chennai

By Order of the Board,
RAVI KUMAR GUPTA
Chairman & Managing Director



Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at this 4th Annual General Meeting is annexed hereto.
2. 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.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

3. Members desirous of getting any information in respect of accounts of the company are requested to send their queries in writing to the Company's Registered Office at least seven days before the date of the meeting so that the required information can be made available at the meeting.
4. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting and also the attendance slip duly filled in for easy identification of attendance at the meeting.
5. The Register of Members of the Company and Share Transfer Books will remain closed from 26th September 2014 to 30th September, 2014 (both days inclusive).
6. Members holding shares in Physical Form are requested to furnish their address, if any change is there, with Registrar & Transfer Agent of the Company, M/s.Cameo Corporate Services Limited, Chennai, quoting their Folio number and numbers of Shares held. Members holding Shares in Electronic Form may communicate their change of Address to their respective Depository Participants.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No: 4 & 5

The Board of Directors shall be delegated with powers for making borrowings and creating security for such borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.100 Crore (Rupees One Hundred Crore only).

Thus it is recommended to pass necessary special resolutions (as set out in the item no : 6 & 7) at this AGM under Section 180(1)(c) and 180 (1) (a) of the Companies Act, 2013 which confer the powers to Board of Directors to make borrowings and creating security for such borrowings in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.



The Board recommends the Special Resolutions as set out at item no: 4 to 5 for approval of members. No Director or Key Managerial Personnel of the Company or their relatives of them are concerned or interested financially or otherwise, in these resolutions.

Item No: 6

The Board of Directors at their Meeting held on 30.08.2014 approved for change of registered office from No:167, St.Mary's Road, Alwarpet, Chennai -600018 to Survey No. 180 & 181, OPG Nagar, Periya Obulapuram village, Nagarajakandigai, Madharapakkam Road, Gummidipoondi - 601201. Any change of registered office outside the local limits of any city requires approval of members by passing of a Special resolution.

The Board recommends the resolution as set out in Item No. 6 for approval of the shareholders as a special resolution.

No Director or Key Managerial Personnel of the Company or their relatives of them are concerned or interested financially or otherwise, in these resolutions.

Item No: 7

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act.

With the coming into force of the Companies Act,2013 several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model AoA for a company limited by shares.

The proposed new draft AoA is being uploaded on the Company's website and available at the Registered Office of the Company during business hours on any working day for perusal by the shareholders.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders. None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 4th Annual Report together with the Audited Accounts for the financial year ended 31st March 2014.

FINANCIAL HIGHLIGHTS :

The summarized Financial Results for the year ended 31st March 2014 and for the previous financial year ended 31st March 2013 are as under:

(Amount in Rs.)

| PARTICULARS | Year Ended 31.03.2014 | Year Ended 31.03.2013 |
|---|--------------------------|--------------------------|
| Revenue from Operations | 44,368,280 | 62,269,625 |
| Other Income | 3,572,659 | - |
| Total Revenue | 47,940,939 | 62,269,625 |
| Total Expenses | 54,519,979 | 61,484,508 |
| Profit after Interest & Depreciation | (6,579,040) | 785,117 |
| Current Tax | 72,809 | 149,604 |
| Deferred Tax | (2,306,774) | 1,055,041 |
| Profit after Tax | (4,345,075) | (419,528) |
| 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 | - | - |

LISTING OF SHARES:

The Company has obtained an In-principle approval for listing of shares at Bombay Stock Exchange, Mumbai [BSE]. Securities Exchange Board of India (SEBI) also granted a relaxation of Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957. BSE's approval for trading is pending.

DIVIDEND:

During the year, the Board of Directors has not recommended any dividend.



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.

DIRECTORS :

There is no change in directorship.

AUDITORS:

The term of office of M/s. CHATURVEDI & COMPANY, Chartered Accountants, Chennai as Statutory Auditors of the Company will expire with the conclusion of 4th Annual General Meeting of the Company and the Auditors are eligible for appointment.

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 is given in the Annexure I.

PARTICULARS OF EMPLOYEES:

In accordance with the provisions of section 217(2A) read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors Report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts as therein set out, are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company at the Registered Office of the Company.

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, 2014 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 2014 have been prepared on a going concern basis.

CORPORATE GOVERNANCE :

The Company has voluntarily established the various Clauses mandated in the Listing Agreement. Being the Company is in the process of Listing, the required disclosures of the Listing Agreement are not provided together with this report.

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 in easy trading in shares even though they are informed that holding of shares in demat form is not compulsory but only optional.

PERSONNEL:

Personnel relations with all employees remained cordial & harmonious throughout the year.

ACKNOWLEDGEMENT:

Your Directors place on record their great appreciation of the fine efforts of all Executives and Employees of the Company which was instrumental in achieving the financial results in a difficult year. Your Directors also express their sincere thanks to various Departments of Central Government, Government of Tamilnadu, TNEB, State Bank of India, the Customers, the Shareholders and other stakeholders for their support and assistance during the year and look forward their continuing support and encouragement in future.

For and on behalf of Board of Directors,

Date : 04.08.2014

Place : Chennai

RAVI KUMAR GUPTA

Chairman & Managing Director



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, 2014, 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 of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, 2014;
- (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 and statement of profit and loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and;
 - e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 : 04-08-2014



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) 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. There is no term loan availed by the Company during the year from any bank or institution and so commenting on its application does not arise.
- (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 Cluase 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.
- (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 : 04-08-2014

S.GANESAN
PARTNER
Membership No.217119



GITA RENEWABLE ENERGY LIMITED
BALANCE SHEET AS ON 31.03.2014

| PARTICULARS | Note No. | AS AT 31-03-2014 (Amount in Rs.) | AS AT 31-03-2013 (Amount in Rs.) |
|-----------------------------------|-------------|--|--|
| A. EQUITY AND LIABILITIES | | | |
| 1. SHAREHOLDERS FUNDS | | | |
| a. Share Capital | 3 | 4,11,22,960 | 4,11,22,960 |
| b. Reserves & Surplus | 4 | 21,62,11,414 | 22,05,56,489 |
| 2. NON CURRENT LIABILITIES | | | |
| a. Long term borrowings | 5 | 51,93,44,427 | 55,26,20,514 |
| b. Deferred Tax Liabilities (Net) | | 9,07,48,267 | 9,30,55,041 |
| 3. CURRENT LIABILITIES | | | |
| a. Trade Payables | | 80,34,987 | 4,24,52,145 |
| b. Other current liabilities | 6 | 3,45,94,180 | 3,46,00,500 |
| c. Short term provisions (Tax) | | 72,809 | 1,49,604 |
| | | 91,01,29,044 | 98,45,57,253 |
| B. ASSETS | | | |
| 4. Non Current Assets | | | |
| a. Fixed Assets | | | |
| i. Tangible Assets | 7 | 42,78,61,177 | 45,63,86,605 |
| b. Long term Loans & Advances | | 28,49,86,256 | 31,75,26,026 |
| 5. Current Assets | | | |
| a. Trade Receivables | 8 | 19,68,29,603 | 20,92,95,470 |
| b. Cash & Cash Equivalents | 9 | 1,37,283 | 4,89,867 |
| c. Prepaid Expenses | | 3,14,725 | 8,59,286 |
| | | 91,01,29,044 | 98,45,57,253 |

Significant Accounting Policies 2
Additional Information to Financial Statements 13

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)
Place : Chennai, Date : 04-08-2014

C K SHARMA
Director



GITA RENEWABLE ENERGY LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2014

| PARTICULARS | Note No. | PERIOD ENDED 31-03-2014 (Amount in Rs.) | PERIOD ENDED 31-03-2013 (Amount in Rs.) |
|---|----------|---|---|
| 1. Revenue from Operations | | 4,43,68,280 | 6,22,69,625 |
| Revenue from Operations (Net) | 10 | 4,43,68,280 | 6,22,69,625 |
| 2. Other Income | | | |
| Liabilities no longer required written back (Net) | | 35,72,659 | - |
| 3. Total Revenue | | 4,79,40,939 | 6,22,69,625 |
| 4. Expenses | | | |
| a. Finance Costs | 11 | 1,69,82,952 | 2,14,52,925 |
| b. Depreciation and Amortisation expenses | 7 | 2,85,25,428 | 2,38,69,448 |
| c. Other expenses | 12 | 90,11,599 | 1,61,62,135 |
| Total Expenses | | 5,45,19,979 | 6,14,84,508 |
| 5. Profit before tax (3 - 4) | | (65,79,040) | 7,85,117 |
| 6. Tax Expense | | | |
| 1. Current Tax | | 72,809 | 1,49,604 |
| 2. Deferred tax | | (23,06,774) | 10,55,041 |
| earlier year short provision written off | | | |
| 7. Profit/(Loss) for the year (5 - 6) | | (43,45,075) | (4,19,528) |
| Earnings Per Share (Basic & Diluted) | | (1.06) | (1.08) |

Accompanying notes are an integral part of the Financial Statements.

As per the report of even date annexed

Significant Accounting Policies 2

Additional Information to Financial Statements 13

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

RAVI KUMAR GUPTA
Chairman & Managing Director

S GANESAN
Partner (Memb.No:217119)
Place : Chennai, Date : 04-08-2014

C K SHARMA
Director



GITA RENEWABLE ENERGY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

| PARTICULARS | YEAR ENDED 31-3-2014 (Amount in Rs.) | | YEAR ENDED 31-3-2013 (Amount in Rs.) | |
|---|---|--------------|--|---------------|
| | A. CASH FLOW FROM OPERATING ACTIVITIES : | | | |
| Net Profit before Tax and Extraordinary Items | | (65,79,040) | | 7,85,117 |
| Adjustments for : | | | | |
| Provision for Depreciation | 28,525,428 | | - | |
| Interest Expense | 16,966,838 | | - | |
| | | 45,492,266 | | - |
| Operating Profit before working capital changes | | 38,913,226 | | 46,106,941 |
| Adjustments for Changes in: | | | | |
| Trade Receivables | 12,465,866 | | - | |
| Trade Payables | (34,417,158) | | - | |
| Prepaid expenses | 544,561 | | - | |
| Other Current Liabilities | (6,320) | | - | |
| Short term provisions (Tax) | - | | 16,854 | |
| | | (21,413,051) | 199,319,064 | |
| Less: Taxes Paid | | 17,500,175 | | 245,426,005 |
| | | (149,604) | | - |
| Net Cash Flow from operating activities (A) | | 17,350,571 | | 245,426,005 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | | | |
| Sale of Fixed Assets | | | - | |
| Long Loans and advances | 32,539,770 | | - | |
| Net Cash Flow from Investing activities (B) | | 32,539,770 | | (296,807,743) |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | | | |
| Long term borrowings | (33,276,087) | | - | |
| Interest paid | (16,966,838) | | - | |
| Net Cash Flow from Financing activities (C) | | (50,242,925) | | - |
| Net Increase in cash Equivalents (A)+(B)+(C) | | (352,584) | | (550) |
| Cash & Cash Equivalents (Opening Balance) | 4,89,867 | | 490,417 | |
| Cash & Cash Equivalents (Closing Balance) | 1,37,283 | | 489,867 | |
| Net Increase/(Decrease) in Cash & Cash Equivalents | | (352,584) | | (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 : 04-08-2014

RAVI KUMAR GUPTA

Chairman & Managing Director

C K SHARMA

Director

**NOTES :**

| PARTICULARS | AS AT 31-03-2014 | | AS AT 31-03-2013 | |
|---|------------------|-----------------|------------------|-----------------|
| | 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 | 4,250,000 | 42,500,000 | 50,000 | 500,000 |
| Increased during the year | - | - | 4,200,000 | 42,000,000 |
| Closing Balance | 4,250,000 | 42,500,000 | 4,250,000 | 42,500,000 |
| | 4,250,000 | 42,500,000 | 4,250,000 | 42,500,000 |
| II. Issued, subscribed and fully Paid Capital: | | | | |
| Movement in Equity Shares | | | | |
| Opening Balance | 4,112,296 | 41,122,960 | 50,000 | 5,00,000 |
| Issued during the year | - | - | 4,062,296 | 40,622,960 |
| Closing Balance | 4,112,296 | 41,122,960 | 4,112,296 | 41,122,960 |
| | 4,112,296 | 41,122,960 | 4,112,296 | 41,122,960 |

a) Movement of Shares

Authorised Capital, Issued, Subscribed and fully paid up Capital

There is no movement in of shares during the reporting period.

b) Terms / rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the assets of the company, in proportion to the number of equity shares held by the shareholders.



c) Details of shareholders holding more than 5% shares in the company

| PARTICULARS | AS AT 31-03-2014 | | AS AT 31-03-2013 | |
|--|------------------|-------|------------------|-------|
| | No. of Shares | % | No. of Shares | % |
| Kanishk Steel Industries Limited | 1020450 | 24.81 | 1020450 | 24.81 |
| Chennai Material Recycling & Trading Company Private Limited | 212797 | 5.17 | 212797 | 5.17 |
| Radiant Solutions Private Limited | 285714 | 6.95 | 285714 | 6.95 |

| PARTICULARS | AS AT 31-03-2014 | | AS AT 31-03-2013 | |
|-----------------------------------|------------------|---------------------|------------------|---------------------|
| 4. RESERVES AND SURPLUS | | | | |
| a) General reserve | | 21,32,79,391 | - | 21,32,79,391 |
| Opening Balance | | | - | - |
| Additions during the year | | | - | - |
| Closing Balance | | | | |
| b) Reserves and Surplus | | | | |
| Opening Balance | 72,77,098 | | (41,952) | |
| Add: profit Transferred from KSIL | | | 77,38,578 | |
| Add: profit /Loss for the period | (43,45,075) | | (4,19,528) | |
| Closing Balance | | 29,32,023 | | 72,77,098 |
| Total | | 21,62,11,414 | | 22,05,56,489 |

| PARTICULARS | AS AT 31-03-2014 (Amount in Rs.) | AS AT 31-03-2013 (Amount in Rs.) |
|--|--|--|
| 5. LONG TERM BORROWINGS | | |
| a. Secured - From Banks | | |
| State bank of Indore Term loan A/c | 10,92,32,427 | 14,71,38,514 |
| b. Others | | |
| OPG Renewable Energy Private Limited | 44,44,00,000 | 43,97,70,000 |
| Total | 55,36,32,427 | 58,69,08,514 |
| Less: Current Maturities of Long Term Borrowings | 3,42,88,000 | 3,42,88,000 |
| | 51,93,44,427 | 55,26,20,514 |

**Terms of repayment and rate of interest :**

Rupee Term Loan of Rs.109,590,962/- is repayable in 13 quarterly instalments of Rs.8,572,000/- each and it carries an interest @12% pa.

Security :

Term Loan from Bank are 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 31-03-2014 (Amount in Rs.) | AS AT 31-03-2013 (Amount in Rs.) |
|--|--|--|
| 6. OTHER CURRENT LIABILITIES | | |
| Current Maturities of Long Term Borrowings | 3,42,88,000 | 3,42,88,000 |
| Advance from Director (related party) | 10,000 | 10,000 |
| Outstanding Expenses | 2,96,180 | 3,02,500 |
| | 3,45,94,180 | 3,46,00,500 |

7 : FIXED ASSETS

Amount in Rs.

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
|-------------------------------------|----------------------|--------------------|-----------|------------------|--------------------|--------------------|-------------------|------------|--------------------|--------------------|---------------------|
| | Rate of Depreciation | AS ON 01-04-13 | Additions | Deletions/Refund | AS ON 31-3-14 | AS ON 01-4-13 | For the Period | With drawn | Upto 31-3-14 | AS ON 31-3-14 | AS ON 31-03-13 |
| Land - Free Hold - wind mill | - | 13,961,000 | - | - | 13,961,000 | - | - | - | - | 13,961,000 | 13,961,000 |
| Plant & Machinery - Power | 4.75% | 550,166,688 | - | - | 550,166,688 | 166,900,844 | 26,132,918 | - | 193,033,762 | 357,132,926 | 3,83,265,844 |
| Factory Buildings - Power | 3.34% | 63,969,580 | - | - | 63,969,580 | 9,112,850 | 2,136,584 | - | 11,249,434 | 52,720,146 | 54,856,730 |
| Pollution Control Equipment - Power | 4.75% | 5,387,922 | - | - | 5,387,922 | 1,084,891 | 255,926 | - | 1,340,817 | 4,047,105 | 4,303,031 |
| | | 633,485,190 | - | - | 633,485,190 | 177,098,585 | 28,525,428 | - | 205,624,013 | 427,861,177 | 45,63,86,605 |

| PARTICULARS | AS AT 31-03-2014 (Amount in Rs.) | AS AT 31-03-2013 (Amount in Rs.) |
|--|-------------------------------------|-------------------------------------|
| 8. Trade Receivables (Unsecured considered good) | | |
| Debts outstanding for a period exceeding six months | - | - |
| Debts outstanding for a period not exceeding six months | 19,68,29,603 | 20,92,95,470 |
| | 19,68,29,603 | 209295470 |
| 9. CASH & CASH EQUIVALENTS | | |
| a) Cash on Hand | 180 | 180 |
| b) Cash at Bank - In Current Account | 1,37,103 | 4,89,687 |
| | 1,37,283 | 4,89,867 |





| PARTICULARS | AS AT 31-03-2014 (Amount in Rs.) | AS AT 31-03-2013 (Amount in Rs.) |
|--------------------------------------|--|--|
| 10. REVENUE FROM OPERATIONS | | |
| Sale of Power Generated | 4,43,68,280 | 6,22,69,625 |
| | 4,43,68,280 | 6,22,69,625 |
| 11. FINANCE COSTS | | |
| Interest paid to Banks - term loan | 1,69,66,838 | 2,14,52,375 |
| Bank charges | 1,078 | 550 |
| Interest Paid on Income-Tax | 15,036 | - |
| | 1,69,82,952 | 2,14,52,925 |
| 12. OTHER EXPENSES | | |
| a. Repairs & Maintenance | | |
| Machinery Repairs- wind mill repairs | 38,41,188 | 76,70,370 |
| Building Repairs & maintenance | - | 8,98,941 |
| Total - A | 38,41,188 | 85,69,311 |
| b. Administrative Expenses | | |
| Transmission Charges | 36,55,491 | 34,08,552 |
| Filing Fees | 2,58,832 | 3,02,500 |
| Travelling & Conveyance | - | 10,89,134 |
| Insurance | 8,59,286 | 1,18,824 |
| Distribution Expenses | - | 11,53,273 |
| Payment to Auditors | | |
| - As Audit Fees | 39,326 | 39,326 |
| - As Tax Audit Fees | 16,854 | 16,584 |
| Professional & Consultancy | 2,000 | - |
| Lease rent paid | 2,40,000 | 3,60,000 |
| Security expenses | - | 11,04,528 |
| Service Tax Paid | - | 103 |
| Printing & Stationery | 38,920 | - |
| Postage | 10,775 | - |
| Rates & Taxes | 39,938 | - |
| Web Designing Charges | 8,989 | - |
| Total - B | 51,70,411 | 75,92,824 |
| Other Expenses Total (A+B) | 90,11,599 | 1,61,62,135 |



Notes attached to and forming part of the Balance Sheet as at 31-3-2014 and the Profit and Loss account for the period ended on that date:

1. CORPORATE INFORMATION:

Gita Renewable Energy Limited (the company) incorporated under the Companies Act, 1956, in the year 2010, is engaged in power generation through wind mills and waste heat recovery plant. The company is in the process of listing its shares in Bombay Stock Exchange Limited. Gita Renewable Energy Limited was one of the resulting companies of demerged Kanishk Steel Industries 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 dispatch of goods. 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, 2014, 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.



13. 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 employees during the year 2013-14
- v) There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2014 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) During the year the company has written back an amount of Rs. 2,98,56,569/- as liabilities no longer required & written off to the extent of Rs. 2,62,83,910/- from advances given to parties (Net 35,72,659/- Credit)
- viii) Value of Imported & Indigenous Raw Materials, Spare Parts Components consumed Nil (previous year Nil)
- ix) CIF Value of Imports: Nil
- x) Remittance in Foreign Currency towards Dividend - Nil.
- xi) Earnings in Foreign Currency Rs. Nil (Previous year Rs. Nil) Expenditure in Foreign Currency Rs. Nil (Previous year Nil)
- xii) RELATED PARTY DISCLOSURES

Details of related parties including summary of transactions entered into by the Branch during the year ended 31 March 2014 are summarized below:

Names of related parties and description of relationship:

| | |
|--------------------------|--|
| Key management personnel | Ravi Kumar 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:**

| Nature of Transaction | Amount in Rs. |
|---------------------------|---------------|
| Sale of Power | 4,43,68,280 |
| Reimbursement of expenses | 6,80,39,823 |

xiii) Licence Agreement :

Demerged Company(Kanishk Steel Industries Limited) 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.44,40,00,000/- accordingly it is grouped under unsecured loan.

xiv) SEGMENT INFORMATION FOR THE YEAR ENDED 31st MARCH 2014.

Business Segment:

- (a) 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.

| xv) Earning Per Share: | 2013-14 | 2012-13 |
|---|----------------|----------------|
| a) Weighted Average No. of Equity Shares of Rs.10/- each | 4112296 | 388525 |
| b) Net profit after tax available for equity shareholders (Rs.) | (4345075) | 419528 |
| c) Basic and diluted earning per share (Rs.) | (1.06) | (1.08) |

xvi) Previous year figures :

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

RAVI KUMAR GUPTA
 Chairman & Managing Director

S GANESAN
 Partner (Memb.No:217119)
 Place : Chennai, Date : 04-08-2014

C K SHARMA
 Director