

CHENNAI FERROUS INDUSTRIES LIMITED

Regd. Office: OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road,
Gummidipoondi - 601201

NOTICE is hereby given that the FIRST ANNUAL GENERAL MEETING of the Members of the Company will be held at Registered office at OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road, Gummidipoondi - 601201 on Thursday, the September 29, 2011 at 3.00 P.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011, the Profit & Loss account for the 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."

For and on behalf of Board of Directors

Date: 01.07.2011

Place: Chennai


RAJESH KUMAR GUPTA

Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf and the proxy need not be a member of the company. A blank form of proxy is appended to this notice and to be effective duly filled in proxy forms should be lodged at the registered office of the company not later than 48 hours before the scheduled time of the Annual General Meeting.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 1st Annual Report of the Company together with the Audited accounts for the year ended 31st March 2011.

BUSINESS ACTIVITY

The Company is to carry on the business of business of Iron masters, steel makers, steel converters etc.

CORPORATE RESTRUCTURING THROUGH SCHEME OF ARRANGEMENT:

Your Company has filed its petition and looks forward to obtain the sanction of Hon'ble High Court of Judicature at Madras to the SCHEME OF ARRANGEMENT between Kanishk Steel Industries Limited ("Demerged Company"), Gita Renewable Energy Limited ("First Resulting Company ") and Chennai Ferrous Industries Limited ("Second Resulting Company") and their respective Shareholders under Section 391 to 394 of Companies Act, 1956.

DEPOSIT

The Company has not accepted any deposits during the year.

DIRECTORS RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) of the Companies Act 1956, the Directors confirm that:

- i. In the preparation of Annual Accounts for the year ended March 31st 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March 2011 ;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. The Directors had prepared the annual accounts on a going concern basis.

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

The information relating 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 the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure-I and forms part of this Report.

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.

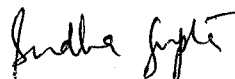
AUDITORS:

M/s. CHATURVEDI & COMPANY, Chartered Accountants, [Firm Registration No: 302137E], Chennai, hold office till the conclusion of the ensuing Annual General Meeting and they are eligible for reappointment.

ACKNOWLEDGEMENT:

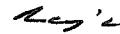
Your Directors take this opportunity to offer their sincere thanks to various Departments of Central Government, Government of Tamilnadu, Bankers, Customers, Shareholders, investors & all other business associates for their unstinted support and assistance and look forward to their continuing support and encouragement.

For and on behalf of Board of Directors,



SUDHA GUPTA

Director



RAJESH KUMAR GUPTA

Director

Date: 01.07.2011

Place: Chennai

ANNEXURE I

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

- (a) Measures taken for Conservation of Energy – NIL.
- (b) Additional investments and proposals, if any, -- NIL
- (c) Impact of the above measures on Consumption of energy – NIL
- (d) Total Energy Consumption and Energy Consumption per unit of Production – N.A

B. TECHNOLOGY ABSORPTION

- (e) Efforts made in Technology absorption:
 - 1. Research and Development -- NIL
 - 2. Technology absorption, adaptation and innovation –NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|----------------------------------|-----|
| (f) Earnings in Foreign Exchange | NIL |
| (g) Foreign Exchange Outgo | NIL |

AUDITORS REPORT

TO THE MEMBERS OF CHENNAI FERROUS INDUSTRIES LIMITED

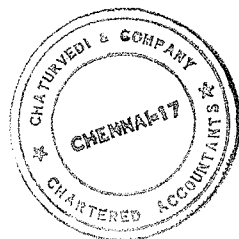
1. We have audited the attached Balance Sheet of CHENNAI FERROUS INDUSTRIES LIMITED as at 31st March 2011 for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Govt. of India in terms of sub-section (4A) of Sec.227 of the Companies Act, 1956, we report on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
 - (i) The Company has no fixed assets and hence requirements of i(a), I (b) & 1 (c) does not arise.
 - (ii) (a) The Company does not have any Inventory accordingly the provisions of clause (ii) does not arise.
 - (iii) (a) The Company has neither granted nor taken any loan(s) to secured or unsecured to/from any Company, firm or other party listed in the register maintained under Section 301 of the Companies Act, 1956. Hence sub clauses (b) to (g) of clause 4(iii) of CARO are not applicable to the Company.
 - (g)
 - (vi) The Company has not accepted any deposit from public.



- (xi) The company has not obtained any loan from bank or financial institution.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund, nidhi, mutual benefit fund or society.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (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 the terms and conditions whereof are prejudicial to the interest of the Company.
- (xvi) The Company has not taken any term loans during the year.
- (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 information and explanations given to us, we report that no fraud on or by Company has been noticed or reported during the course of our audit.

Other Clauses of the order are not applicable to the Company and the report thereon should be taken as NIL since the company is yet to commence its business activities.

4. Further to our comments above, we state that:
- a. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - 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.

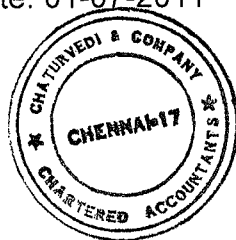


- c. The Balance Sheet dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of the written representations received from the directors as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet read together with and subject to notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
(i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011

For Chaturvedi & Company
Chartered Accountants
FRN 302137E

S. Ganesan

S Ganesan
Partner,
Membership no.217119
Place: Chennai
Date: 01-07-2011



Chennai Ferrous Industries Limited

Balance sheet as at March 31, 2011

(All amounts are in Indian rupees unless otherwise stated)

	Schedule	As at March 31, 2011
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	1	500,000
		<u>500,000</u>
APPLICATION OF FUNDS		
CURRENT ASSETS		
Cash & Bank Balances	2	496,567
		<u>496,567</u>
CURRENT LIABILITIES & PROVISIONS		
Loans and advance from related party		158,000
Outstanding Expenses		5,515
Net Current Assets		<u>333,052</u>
Miscellaneous expenditure (to the extent not written off)		166,948
TOTAL		<u>500,000</u>
NOTES ON ACCOUNTS	3	

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For Chaturvedi & Company
Chartered Accountants
FRN 302137E

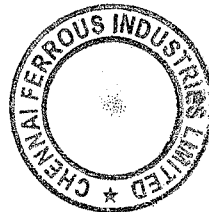
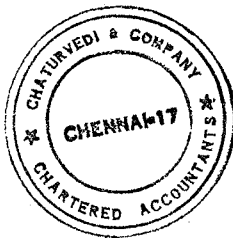
S. Ganesan

S GANESAN
PARTNER
Membership No. 217119

Place: Chennai
Date: 01-07-2011

Rajesh Gupta
(RAJESH GUPTA)
Director

Sudha Gupta
(SUDHA GUPTA)
Director



Chennai Ferrous Industries Limited

Schedules to accounts

(All amounts are in Indian rupees unless otherwise stated)

As at
March 31, 2011

Schedule 1: Share Capital

Authorised Capital

10,00,000 Equity Shares of Rs.10/- each

10,000,000

10,000,000

Issued, subscribed and paid up capital

50,000 Equity Shares of Rs.10/- each

500,000

500,000

Schedule 2: Cash & Bank Balances

Cash in Hand

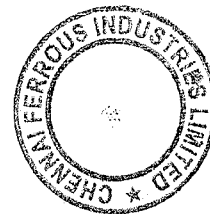
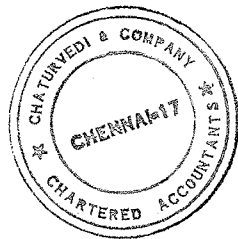
8,380

Cash at Banks

State Bank of India

488,187

496,567



CHENNAI FERROUS INDUSTRIES LIMITED

Schedule 3:

Notes attached to and forming part of the Balance Sheet as at 31-3-2011 and the Profit and Loss account for the period ended on that date:

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention & Revenue Recognition:

The financial statements are prepared under the historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles in India, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956. All expenses and income are accounted on accrual basis except where there is uncertainty in view of claims/dispute.

2. Preliminary Expenses

These are amortized during the year as per Accounting Standard- 26 Intangible Assets.

NOTES ON ACCOUNTS:

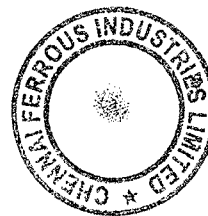
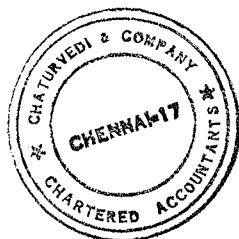
3. As the company is yet to commence operations the expenses incurred are taken to miscellaneous expenses and no profit and loss account has been prepared.
4. Earnings in foreign exchange: Nil. Expenditure in foreign exchange is Rs. Nil.
5. The company did not owe any amount to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.
6. Claims against the Company not acknowledged as Debt Rs. Nil. Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. Nil. Contingent liabilities not provided for: Nil

7. RELATED PARTY DISCLOSURES

Details of related parties including summary of transactions entered into by the Branch during the year ended 31 March 2011 are summarized below:

Names of related parties and description of relationship:	
Key management personnel	Rajesh Gupta
	Ravi Gupta
	Sudha Gupta
Other Related Parties	Kanishk Steel Industries Limited Gita Renewable Energy Limited

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



Related party transactions:

During the year an advance of Rs.1,58,000/- received from Kanshik Steel Industries Limited.

8. Miscellaneous Expenditure incurred upto 31-3- 2011:

PARTICULARS	AMOUNT(Rs.)
Audit fees	5,515
Filing fees	1,59,620
Bank Charges	1,813
Total	<u>1,66,948</u>

9. Information with regard to the other matters specified in Paragraph of Part II of Schedule VI of the Companies Act 1956 are either Nil or not applicable to the Company for the financial year.

The Company was incorporated on 07-05-2010 and the accounts have been made upto 31-3-2011. This being the first financial closing of the Company, furnishing Previous Year's figures does not arise.

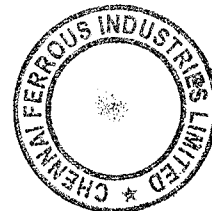
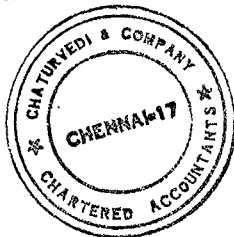
As per our report of even date annexed
For CHATURVEDI & COMPANY
Chartered Accountants
FRN 302137E

Rajesh Gupta
(RAJESH GUPTA)
Director

S. Ganesan

(S. Ganesan)
Partner (MNR:217119)
01-07-2011
Chennai

Sudha Gupta
(SUDHA GUPTA)
Director



CHENNAI FERROUS INDUSTRIES LTD

Balance Sheet Abstract and Company's General Business Profile
As per Schedule VI Part IV of the Companies Act, 1956

REGISTRATION Details

State	Tamilnadu
Registration No.	U27310TN2010PLC075626
Balance Sheet Date	31-03-2011

CAPITAL RAISED DURING THE YEAR

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Assets	Rs. (in Thousands)	Total Liabilities	Rs. (in Thousands)
	500		500

Sources of Funds	Rs. (in Thousands)
Paid-up Capital	500
Share Application	Nil
Reserves & Surplus	Nil
Unsecured Loans	Nil

Application of Funds	
Net Fixed Assets	Nil
Investments	Nil
Net Current Assets	333
Misc Exp	167

PERFORMANCE OF THE COMPANY

Turnover	Nil
Total Expenditure	Nil
Profit/Loss before Tax	Nil
Profit/Loss after Tax	Nil
Earnings per Share in Rupees	Nil
Dividend Rate (%)	Nil

GENERIC NAMES OF THE PRINCIPAL PRODUCT/SERVICES OF COMPANY AS PER MONETARY TERMS

Product Description: Power Generation
ITC Code No.: Not Available

As per the report of even date annexed
For **Chaturvedi & Company**
Chartered Accountants
FRN 302137E

S. Ganesan

S Ganesan
Partner (Membership No. 217119)
Chennai, 01-07-2011

Rajesh Gupta
(RAJESH GUPTA)
Director

Sudha Gupta
(SUDHA GUPTA)
Director

