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Entegra Limited

14th Annual Report 2008-2009



An **MW Corp** Enterprise

Making Renewable Energy A Part of Daily Life

OUR VISION

To become a leading, fully integrated global Renewable Energy Enterprise

OUR MISSION

To create value for all stakeholders by leveraging our core competence in the Renewable Energy space BY optimizing global resources and tapping opportunities for sustainable growth AND contributing towards a greener world

BOARD OF DIRECTORS

Mr. Mukul S. Kasliwal
Chairman

Mr. Warij A. Kasliwal
Vice-Chairman

Mr. P. L. Nene
Director

Mr. H. A. Khatau
Director

Mr. Soli Cooper
Director

Mr. A. R. Barwe
Additional Director

Mr. V. K. Jain
Managing Director

Mr. A. C. Kapadia
Director

Mr. A. S. Jalan
Director

Mr. Pradeep Goyal
Director

Mr. Dennis Quinn
Additional Director

**President &
Company Secretary**
Mrs. Rekha Jagdale

Main Bankers
ICICI Bank Limited
Indusind Bank Limited

Registered Office
S. Kumars House, Plot No. 60,
MIDC, Phase II, Street 14
Andheri (E),
Mumbai 400 093
Tel.: 022 -28322676

Auditors
Walkar, Chandiok & Co
Chartered Accountants,
Engineering Centre, 6th Floor,
9 Matthew Raod, Opera House,
Mumbai 400 004

Corporate Office
4th Floor,
Harchandrai House,
Maharshi Karve Road,
Marine Lines (East),
Mumbai - 400 002
Tel.: 022 - 66044242

Malpani & Associates
Chartered Accountants,
307, Chartered House,
Marine Lines,
Mumbai 400 002

Subsidiaries
1. Shree Maheshwar Hydel
Power Corporation Limited
2. Ennertech Biofuels Limited
3. Nevaa Solar Power Company
Private Limited

Registrar & Transfer Agent
M/s. Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (east), Mumbai 400 072
Tel: 022 28470652, 40430200
Fax: 022 28475207
Email: info@bigshareonline.com

Chairman's Statement

Dear shareholders,



We are witnessing rapid and dramatic change in the Renewable Energy Business Environment. Whether it is Government policy boosts, attitude towards adoption of clean energy, investor sentiment... there is an increased 'affinity for action' driving a new momentum in the industry - both globally and in India. Entegra, with its proven ability to execute projects in the 'Green' Energy segment is well poised to take advantage of the opportunities arising. Our competitive advantage comes from our engineering expertise in hydro power development, solar thermal/photovoltaic power generation and hybrid RE solutions, as well as our strong partnerships with global technology leaders

Entegra has structured its operations into two distinct divisions encompassing a comprehensive swathe of Green/Renewable energy businesses, to further our quest of growing into an integrated global RE conglomerate.

EnnerGreen Resources (EGR) focuses on development & generation of power from RE resources viz. Hydro and Solar (Thermal and Photo Voltaic). The run-of-the-river Maheshwar Hydroelectric Project is in advanced stages of completion with 5 turbines of 40MW each expected to be commissioned by June 2010 and the remaining 5 by December 2010. Approximately 93% of the project civil work has been completed.

"During the year, Entegra has seen strong progress in our Hydro & Hybrid RE solutions businesses as well as aggressively expanded in the solar thermal / photovoltaic arena, taking firm steps forward in emerging as a renewable energy

Entegra has also developed a head start in solar energy through pilot projects in concentrated solar power (CSP) and concentrated solar photo voltaic (CSPV) technology.

We are in the process of developing a 'first-of-its-kind' solar thermal energy generation in India through the 10MW CSP project near Jodhpur (scalable to over 200MW) awarded by the Government of Rajasthan. The power-block and power evacuation facilities will be provided by a leading globally competitive EPC company under a turnkey arrangement with guarantees of performance. Further an MOU has also been signed with the Gujarat Energy Development Agency for a 50MW CSP project in the Kutch region.

We have also undertaken a 1MW CSPV pilot project near Jodhpur to demonstrate the viability of cost-effective SPV technology in the country.

EnnerGreen Solutions (EGS - comprising Projects, Products and Services) provides customized RE solutions to commercial, industrial, public infrastructure and residential facilities. We are currently in the process of implementing several key EPC projects including installation of 5 wind solar hybrid installations of 12KW each for Rajiv Gandhi University, Bhopal; supply, installation & commissioning of 10KW wind-solar hybrid system for Vehicles Research & Development Establishment, Vahan Nagar, Ahmednagar (a GOI, Ministry of Defence organisation) and providing integrated RE solutions to residential complexes in Kalyan and Worli, Mumbai. These landmark projects will pave the way for securing similar contracts in the future.

The current Hydro and Solar power projects being implemented have given visibility to Entegra's expertise; helping us to bid for a number of similar plants. We have in place an outstanding team of professionals with proven execution track record, coupled with impeccable industry experience and domain knowledge, to help us deliver value to all our stakeholders

Yours Sincerely,

Sd/-

Mukul Kasliwal

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NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of Entegra Limited will be held on Friday, the 18th day of December, 2009 at 11.30 a.m. at Sunville Hall, 2nd Floor, Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai 400018, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2009, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint director in place of **Mr. Hiten A. Khatau**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint director in place of **Mr. Ashish. S. Jalan**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint director in place of **Mr. Soli Cooper**, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Walker, Chandio & Co., Chartered Accountants and M/s. Malpani & Associates, Chartered Accountants as the Joint Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:
“**RESOLVED THAT**, pursuant to Section 198, 269 and 309 of the Companies Act, 1956 along with all other applicable provisions, if any, and according to Schedule XIII of the Companies Act, 1956 and if required 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. V. K. Jain as the Managing Director of the Company w. e. f 1st April 2009 for a period of 3 (Three) years with a remuneration of Rs. 32,44,500/- p.a. (Rupees Thirty Two Lacs Forty Four Thousand Five Hundred only) plus Company maintained Chauffeur Driven Car & Telephone expenses and on such other terms and conditions as detailed in the agreement dated 1st April 2009.”
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Anirudha R. Barwe who was appointed as an Additional Director by the board under Section 260 of the Companies Act, 1956 and Article 109 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation”
8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :
“**RESOLVED THAT** Mr. Dennis Quinn who was appointed as an Additional Director by the board under Section 260 of the Companies Act, 1956 and Article 109 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation”
9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:
“**RESOLVED THAT** the consent be and is hereby given for reallocation of utilisation of proceeds of Right Issue as detailed in the Explanatory Statement attached to the Notice of the Annual General Meeting and ratify the action taken by the Board of Directors of the company in this regard.”

Place : Mumbai
Date : November 20, 2009

Registered Office :
S. KUMARS HOUSE, Plot No. 60,
MIDC, Phase II, Street 14
Andheri (E),
Mumbai 400 093

**By order of the Board
For Entegra Limited
Sd/-
Rekha Jagdale
President &
Company Secretary**

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
4. Members are requested to notify immediately any change in their address along with Pin Code Number to the Company / Share Transfer Agent.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 15th December 2009 to Thursday, 17th December 2009 (both days inclusive) for the purpose of 14th Annual General Meeting.
6. Members may avail of the facility of dematerialisation by opening Depository accounts and get the equity share certificates held by them dematerialised.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 6:**

Mr. V. K. Jain had been appointed as Managing Director of the Company for a period of 5 years with effect from 16.09.2004 which was ratified by the Members in the 10th Annual General Meeting. Further vide board resolution dated 1st April, 2006 the Remuneration of Rs. 32,44,500/- p.a. plus Company maintained Chauffeur Driven Car & Telephone Expenses was also approved and paid w.e.f. 1st April, 2006 to him which was also ratified by the members at the 11th Annual General Meeting of the Company held on 25th September 2006. However, now as per the provisions of Schedule XIII of the Companies Act, 1956, it has become necessary to renew the appointment and remuneration of Mr. V. K. Jain as the Managing Director of the company. Hence it is proposed to re-appoint Mr. V. K. Jain as Managing Director w.e.f. 1st April, 2009 for period of 3 years on the same terms and conditions i.e. Managerial Remuneration of Rs. 32,44,500/- p.a. plus Company maintained Chauffeur Driven Car & Telephone Expenses. Therefore the Company entered into an agreement with Mr. V. K. Jain, subject to the approval of the shareholders and the Central Government, if required.

The Managing Director will be entitled to one month earned leave for every year of continuous service and seven days casual leave every year. However the Managing Director will not be entitled to accumulate the earned leave for more than two months and encashment of leave will not be allowed.

If in any Financial year the total remuneration including all allowances payable to and received by the Managing Director exceeds the maximum payable to him under Schedule XIII and other applicable provisions of the Companies Act, 1956 he shall be liable to refund the excess amount paid and the same to be deducted from the remuneration payable to him in the next following year.

Except Mr. V. K. Jain none of the Directors are concerned or interested in this resolution.

The Board of Directors recommend the passing of resolution.

ITEM NO. 7:

The Board of Directors of the Company (the Board), under Section 260 of the Companies Act, 1956 and Article 109 of the Company, appointed Mr. Anirudha R. Barwe as an Additional Director of the Company with effect from 29th April 2009. Mr. Anirudha R. Barwe holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing, under Section 257 of the Companies Act, 1956, from the members signifying their intention to propose him as a candidate for the office of a Directors of the Company. The brief resume of Mr. Anirudha R. Barwe is given below:

Mr. Anirudha Barwe son of Late Mr. Ramkrishna G. Barwe holds a graduate degree in Mathematics and is an associate of the Indian Institute of Bankers in Mumbai. He joined State Bank of India (SBI) in 1961 as Probationary Officer and held several important positions within State Bank of India and in 1996 was deputed as Managing Director of SBI Capital Markets Limited. Mr. Barwe has also held Directorships in various subsidiaries of SBI and Stock Exchanges such as NSE and OTCEI. Until recently, he held the position of Chief Financial Officer of IDFC Limited. He is currently advising a number of entities including foreign bodies in the financial field and is a member of Government Economic Committees and other listed company boards.

Except Mr. Anirudha R. Barwe none of the Directors are concerned or interested in this resolution.

The Board of Directors recommend the passing of resolution.

ITEM NO. 8:

The Board of Directors of the Company (the Board), under Section 260 of the Companies Act, 1956 and Article 109 of the Company, appointed Mr. Dennis Quinn as an Additional Director of the Company with effect from 29th April 2009. Mr. Dennis Quinn holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received Notices in writing, under Section 257 of the Companies Act, 1956 from the members signifying their intention to propose him as a candidate for the office of a Directors of the Company. Mr. Dennis Quinn is an US Citizen and his brief resume is given below:

Mr. Dennis Quinn son of Mr. James R. Quinn an MBA and Under Graduate from Oregon State University, has an extensive experience of over 20 years in both the regulated and non-regulated electric utility industry and renewable energy development company having projects of over US\$ 500mn, successfully operating worldwide.

Except Mr. Dennis Quinn none of the Directors are concerned or interested in this resolution.

The Board of Directors recommend the passing of resolution.

ITEM NO. 9:

The Right Issue of 5,10,00,078 Equity Shares of Rs. 10/- each at a premium of Rs.15/- each in the ratio 1:1 was opened on 24th July 2008 and closed on 22nd August 2008. The issue subscription was Rs.12,714.78 lakhs only as against issue size of Rs.12,750.01 lakhs.

The Right Issue was made with objects as detailed below :

| | Amt (Rs. In Lacs) |
|---|-------------------|
| Investment in the infrastructure for Renewable Energy (RE) business | 2672.00 |
| Acquisition of PSC Engineers Private Limited | 995.00 |
| Investment in the subsidiary – Ennertech Biofuels Limited | 1460.00 |
| Investment in Shree Maheshwar Hydel Power Corporation Limited | 500.00 |
| Repayment of existing debts to the State Financial Institutions and Banks | 6200.00 |
| Working Capital requirement. | 718.01 |
| Right Issue expenses. | 205.00 |
| | 12750.01 |

In view of the changed economic scenario & the business requirements, management did not find it viable to acquire PSC Engineers Private Limited. Further management is still in process of evaluation of the setting-up of Biodiesel Refinery through subsidiary company namely Ennertech Biofuels Ltd.

Accordingly the Right Issue proceeds were actually utilised as detailed below:

| | Amt (Rs. In Lacs) |
|---|-------------------|
| Purpose of utilization | Amount |
| - Expenditure towards infrastructure for Renewable Energy (RE) business | 141.74 |
| - Expenditure incurred towards acquisition of PSC Engineers Private Limited | 81.25 |
| - Advance Share Application money to subsidiary company viz. Ennertech Biofuels Limited | 62.10 |
| - Advance towards acquisition of Optionally Fully Convertible Debentures of Shree Maheshwar Hydel Power Corporation Limited | 3,623.07 |
| - Repayment the existing debts to the State Financial Institutions and Banks | 3,610.51 |
| - Working Capital requirements | 5,018.01 |
| - Right issue expenses | 178.10 |
| Total | 12,714.78 |

The resolution is proposed for the consent of the shareholders for reallocation of utilisation of Right Issue proceeds and the ratification of actions taken by the board of directors in this regard.

None of the Directors are concerned or interested in this resolution.

The Board of Directors recommend the passing of resolution.

By order of the Board
For Entegra Limited
Sd/-
Rekha Jagdale
President &
Company Secretary

Place : Mumbai
Date : November 20, 2009

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 14th Annual Report and the Audited Accounts of the Company for the year ended on 31st March, 2009 along with the Management Discussion and Analysis Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A detailed review of the progress of the Company and the future outlook of the Company and its business, as stipulated under clause 49 of the Listing Agreement with the stock exchange, is presented in a separate section forming part of the Annual Report.

FINANCIAL HIGHLIGHTS

The operating results of the Company for the period under review are as follows:

(Amount in Rupees)

| Particulars | The year ended on 31 st March 2009 | The year ended on 31 st March 2008 |
|---|--|--|
| Profit/(Loss) before depreciation, tax & Prior period adjustments / Pre operative expenses no longer required | 90,439,449 | 7,884,901 |
| Less : Depreciation | 451,125 | 370,495 |
| Profit/(Loss) before tax & Prior period adjustments / Pre operative expenses no longer required | 89,988,324 | 7,514,406 |
| Less : Provision for tax | 1,500,000 | 1,500,000 |
| Less : Fringe benefit tax | 519,000 | 702,102 |
| Less : Deferred tax | 40,071 | 200,588 |
| Less : Income tax for earlier years | - | 4,550 |
| Profit/(Loss) after tax but before Prior period adjustments / Pre operative expenses no longer required | 87,929,253 | 5,107,166 |
| Less: Prior period adjustments / Pre operative expenses no longer required | 77,836,212 | 6,990,466 |
| Adjusted Profit/(Loss) | 10,093,041 | (1,883,300) |
| Add: Profit/(Loss) brought forward from previous year | 130,255,167 | 132,138,467 |
| Balance carried to Balance Sheet | 140,348,208 | 130,255,167 |

DIVIDEND:-

Directors do not recommend any dividend.

THE YEAR IN RETROSPECT:

During the Financial Year ended 31st March 2009, the Company has achieved turnover of Rs. 9,081 Lacs from its operations. As part of its growth strategy, the Company has entered in the Renewal Energy business and achieved a modest turnover of Rs 106.43 Lacs in this sector.

BUSINESS OUTLOOK & PLANS:-

In line with the shift of focus on Renewable Energy business, the company accordingly stopped the commodity trading activity w.e.f. 1st April, 2009.