

ENTEGRA

Energising the future

ENTEGRA LIMITED

15th Annual Report | 2009-2010



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. Vijendrakumar Jain

Managing Director

Mr. Hiten A. Khatau

Director

Mr. Soli K. Cooper

Director

Mr. Anirudha R. Barwe

Director

Mr. Dennis J. Quinn

Director

President &**Company Secretary**

Mrs. Rekha Jagdale

Subsidiaries

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

Corporate Office

4th Floor,
Harchandrai House,
Maharshi Karve Road,
Marine Lines (East),
Mumbai - 400 002
Tel.: 022 - 66044242
Fax : 022 - 66550320
email :investor@entegra.co.in

Registered Office

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

Mr. Warij A. Kasliwal

Vice-Chairman

Mr. Prabhkar L. Nene

Director

Mr. Ajit C. Kapadia

Director

Mr. Ashish S. Jalan

Director

Mr. Pradeep V. Goyal

Director

Mr. Alok N. Sinha

Additional Director

Main Bankers

State Bank of India
Yes Bank
ICICI Bank Limited
IndusInd Bank Limited

Auditors

1. Walkar, Chandiok & Co
Chartered Accountants,
Engineering Centre, 6th Floor,
9 Matthew Road, Opera House,
Mumbai 400 004
2. Malpani & Associates
Chartered Accountants,
307, Chartered House,
Marine Lines,
Mumbai 400 002

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

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Chairman's Statement

Dear shareholders,



With an increasingly favorable regulatory and policy environment along with a growing number of enterprising entrepreneurs and project developers, India is ranked as the third most attractive country to invest in renewable energy, after US and Germany, in the "Ernst and Young Country Attractiveness Indices". The Government of India has set the target of increasing contribution of renewable energy sources in power generation to 10% by 2015, from 4% at present and has announced a host of financial incentives for private investors. The Government has also increased budgetary allocation for renewable energy by 61% to Rs 10 billion for the year. You will appreciate that your Company spotted a massive opportunity in Renewable Energy space far ahead and is today well poised to grow multi fold as one of the major players in renewable energy.

Entegra is fast emerging as a renewable energy conglomerate with comprehensive range of renewable energy businesses.

Our 400 MW Hydro Power Project at Maheshwar is nearing completion and is moving towards commissioning stage with already 87% (Rs 2,400 crores) cost incurred. About 95% of the civil work is over and turbines are being installed in phases. On completion, the project would generate around 1,500 million units peak energy and provide precious drinking water to the city of Indore. Maheshwar Hydro Power Project is a path breaking project and will establish your company as one of the foremost hydropower developers not only in India but in the world.

Entegra's foray into solar energy generation through pilot project in 'first-of-its-kind' 10 MW concentrated solar power (CSP) technology in Rajasthan is progressing well. We have already tied up with a leading global EPC player to install and operate the plant. The land has been acquired for this purpose and the project is expected to be operational within 20 months from the commencement of construction work. We are also undertaking a 1 MW Solar Photo Voltaic (SPV) pilot project in Rajasthan to demonstrate the viability of cost-effective PV technology in the country. The land has been acquired for this purpose and the project is expected to be operational within 6 months from the commencement of construction work. The 10 MW project will be scaled up-to 40 MW and 1 MW project will be scaled up-to 5 MW, for which the effective steps have been taken including land acquisition. The experience of both these pilot projects would provide us early mover advantage in this technology in India and would also give us a big opportunity of EPC business in grid connected Solar Power Projects Development.

Thanks to our vision, we are amongst country's first company to enter this area and in times to come shall emerge as a leader in this field as well.

We have further consolidated our position as a provider of customized renewable energy solutions to residential, commercial, industrial and public infrastructure facilities through successful implementation of several EPC projects by Enner Green Solutions including installation of 2 wind/solar hybrid installations of 12KW each for Rajiv Gandhi University in Bhopal; installation & commissioning of 10 KW wind/solar hybrid system for Vehicles Research & Development Establishment in Vahan Nagar, Ahmednagar and setting up several energy parks in the state of Madhya Pradesh.

Further, Entegra was approved as an empanelled consultant for preparation of detailed project reports under decentralized distributed generation (DDG) scheme of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) of Ministry of Power. It also received approval from Ministry of New & Renewable Energy for manufacturing Solar Home & Street Lighting and Lanterns.

We believe that hydro and solar energy will continue to play major role in the renewable energy space and will remain as prime sources of power in the country. With active presence in these two sectors, Entegra is geared up to take major part in the growth story of renewable energy in the country. Our professional team with impeccable execution track record would help us deliver value to all our stakeholders.

Yours sincerely,

Sd/-

Mukul Kasliwal

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the members of Entegra Limited will be held on Wednesday, the 29th day of September, 2010 at 12.00 noon 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 March 31, 2010, 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. Warij A. Kasliwal**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint director in place of **Mr. Pradeep Goyal**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint director in place of **Mr. Dennis Quinn**, 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 an **Ordinary Resolution**:

“RESOLVED THAT Mr. Alok Sinha 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”

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 372A and any other applicable provisions, if any, of the Companies Act, 1956, or of any other law for the time being in force, the Board of Directors of the Company be and is hereby authorized to make investments, loans, give guarantee or provide any security, in excess of 60% of the paid up capital and free reserves of the company or in excess of 100% of the free reserves of the company whichever is higher prescribed under Section 372A of the Companies Act, 1956, provided, however, that the total investments, loans, guarantee, security shall not exceed Rs. 3000,00,00,000/- (Rupees Three Thousand Crores Only).”

8. **ISSUE AND ALLOTMENT OF SHARES AND OTHER SECURITIES OF THE COMPANY BY WAY OF QUALIFIED INSTITUTIONAL PLACEMENT (QIP):**

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all 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 as amended) and also provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009. (the “SEBI Guidelines”), the provisions of the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of, if applicable, Government of India, Reserve Bank of India, Securities and Exchange Board of India and/or all other applicable authorities, institutions or bodies, within or outside India, and subject to such conditions as may be prescribed by any of them while granting such approval, the Board of Directors (hereinafter referred to as “Board” which term shall include any Committee thereof, whether constituted or to be constituted) of the Company be and are hereby authorized to create, offer, issue and allot in one or more tranche(es), in the course of domestic and/or international offerings and/or Qualified Institutional Placements (“QIP”), with or without an over allotment/green shoe issue option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indians, non-resident entity, trusts,

Indian public, companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not, through a public issue and/or on a private placement basis and/or qualified institutional placement within the meaning of Chapter XIII-A of the SEBI Guidelines and/or preferential issue and/or any other kind of public issue and/or private placement or through a combination of the foregoing as may be permitted under applicable laws from time to time, with or without an over allotment/green shoe option, equity shares, secured or unsecured debentures, bonds, warrants, or any other securities whether convertible into equity shares or not, including, but not limited to, Indian Rupee Convertible Bonds (“IRCBs”) and/or Domestic Convertible Bonds (“DCBs”) and/or any such other bonds by whatever name known, whether compulsorily convertible or optionally convertible or partially convertible, Fully Convertible Debentures (“FCDs”), Partly Convertible Debentures (“PCDs”), Optionally Convertible Debentures (“OCDs”), Non Convertible Debentures with warrants, Perpetual Preference Shares/ Bonds/ Debentures, Foreign Currency Convertible Bonds (FCCBs”), Bonds with share warrants attached, Global Depository Receipts (“GDRs”) and American Depository Receipts (“ADRs”) whether sponsored or otherwise, or any other equity related instrument Of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds /debentures and/or any other securities convertible into or exchangeable with equity shares on such date as may be decided by the Board but not later than 60 months from the date of issue and whether with or without differential rights as to dividend, voting or otherwise such that these securities will not have any superior rights as to voting or dividend vis-à-vis the rights on equity shares that are already listed (hereinafter referred to as “Securities”) subject however that the aggregate issue/conversion of Securities shall not result in issue and allotment of more than 40,00,00,000 (Forty Crores only) shares of the Company, aggregating to issue size not exceeding Rs. 1000,00,00,000/- (Rupees One Thousand Crores only), whether to be listed on any stock exchange inside India or any international stock exchange(s) outside India, through an offer document and/or prospectus and/or offer letter, and/or offering circular, and/or on public and/or private and/or preferential basis, whether rupee-denominated or denominated in foreign currency, provided that the aggregate number of equity shares so issued or the equity shares to be issued on conversion of such securities together with the over allotment options, if any, shall not exceed an aggregate of 40,00,00,000 (Forty Crores only) equity shares of face value of Rs. 10/- per equity share and such additional equity shares as may be required to be issued consequent to any adjustment in price in terms of relevant clause of Chapter XIII-A of SEBI Guidelines” at such time or times, at such, price or prices in such manner and on such terms and conditions including security, rate of interest etc., as may be decided by and deemed appropriate by the Board as per applicable law, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made, considering the prevailing market conditions and other relevant factors wherever necessary in consultation with its advisors, as the Board in its absolute discretion may deem fit and appropriate”.

“RESOLVED FURTHER THAT in addition to all applicable Indian laws, the Securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or that may in any other manner apply to such Securities or provided in the terms of their issue”.

“RESOLVED FURTHER THAT the Board or Committee thereof be and is hereby authorised on behalf of the Company to finalise the pricing, terms and conditions relating to the issue of the Securities and any other matter in connection with or incidental to the issue of the Securities as the Board or any committee thereof, in the absolute discretion, deems necessary or desirable together with any amendments or modification thereof”.

“RESOLVED FURTHER THAT the pricing of the Securities and the pricing of any equity shares issued upon conversion of the Securities shall be made subject to and in compliance with all the applicable laws and regulation”.

“RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law”.

“RESOLVED FURTHER THAT in case of a QIP pursuant to Chapter XIII-A of the SEBI Guidelines, the allotment of Securities shall only be to qualified institutional buyers within the meaning of Chapter XIII-A of the SEBI Guidelines and the relevant date for the determination of the price of the equity shares to be issued or issued pursuant to conversion, shall be the date of the meeting in which the Board or a Committee thereof decides to open the issue of Securities or such other time as may be allowed by SEBI Guidelines from time to time”.

“RESOLVED FURTHER THAT in case of an issuance of FCCBs/ ADRs/ GDRs, the relevant date for the determination of the issue price of the Securities offered, shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 as may be amended from time to time”.

“RESOLVED FURTHER THAT the issue of Securities shall be subject to the following terms and conditions: (a) The Securities shall be subject to the provisions of the Memorandum and Articles of Association of the Company and in accordance with the terms of the issue; and (b) The number and/or price of the Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring. (c) The underlying equity

shares shall rank pari-passu in all respect with the existing equity shares of the Company”.

“RESOLVED FURTHER THAT the Common Seal of the Company, if required to be affixed in India and / or outside India on any agreement, undertaking, deed or other document, the same may be affixed in the presence of any two of the Directors of the Company or any two of the officers of the Company duly authorised by the Board in accordance with the Articles of Association of the Company”.

“RESOLVED FURTHER THAT, subject to the applicable laws, the Board / Committee be and is hereby authorized to do such acts, deeds, matters and things as the Board / Committee in its absolute discretion deems necessary or desirable in connection with the issue of the Securities, including, without limitation of the following:

- a) Decide the date for the opening of the issue of Securities;
- b) finalisation of the allotment of the Securities on the basis of the subscriptions / over subscription received;
- c) finalisation of and arrangement for the submission of the preliminary and final offering circulars/ prospectus(es)/ offer document(s), and any other amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
- d) deciding the pricing and terms of the Securities, and all other related matters, including taking any action on two-way fungibility for conversion of underlying equity shares into IRCBs/ DCCBs/ FCCBs/ GDRs/ ADRs, as per applicable laws, regulations or guidelines;
- e) appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/ transfer/ conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/ Memorandum of Understanding(s) / documents with any such agencies, in connection with the proposed offering of the Securities;
- f) approval of the Depository Agreement(s), the Purchase/ Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/ Global GDRs/ ADRs/ FCCBs/ other Securities, letters of allotment, listing application, engagement letter(s), memorandum of understanding and any other agreements or documents, as maybe necessary in connection with the issue/ offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- g) authorization of any Director or Directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys or otherwise, to do such acts, deeds, matters and things as the authorized person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities;
- h) to accept any amendment/ modification to the proposal/ resolution/ offer document, etc as may be required by SEBI/ Stock Exchanges/ RBI/ FIPB or any other authorities in India or abroad.
- i) settle all questions, difficulties or doubts that may arise in regard to the issue, offer and/or allotment of Securities and utilization of proceeds of the issue in such manner and to do all such acts, deeds, matters and things as it may in its absolute discretion may deem fit.
- j) Seeking, if required the consent of the Company's lender, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities.
- k) Authorization of the maintenance of a register of holders of the Securities, if so required, in India or abroad.
- L) Finalization of the basis of allotment in the event of over-subscription.

“RESOLVED FURTHER THAT without prejudice to the generality of the foregoing, issue of the Securities may be done upon all or any of the terms or in combination thereof in accordance with international practices relating to the payment of interest, additional interest, premium or redemption, prepayment or any other debt service payments and all such terms are provided customarily in an issue of Securities of this nature”.

“RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of depository receipts representing the underlying in equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in international markets”.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above matter and to settle any difficulty or doubt that may arise in this regard, Mr. Mukul Kasliwal, Chairman, Mr. V. K. Jain, Managing Director, Mr. M. Hudli, President - Corporate Finance, Mr. D. M. Gupta, Senior Vice President - Finance & Accounts, and Mrs. Rekha Jagdale - President & Company Secretary of the Company be and are hereby authorised individually and severally to do all such acts, deeds, matters and things and execute all such documents, instruments and writing as they may in their sole and absolute discretion deem necessary or expedient including making of all necessary filings and intimations to the Registrar of Companies and other appropriate authorities.”

“RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorised to accept any modifications in the proposal as

may be required by the authorities involved in such issues but subject to such conditions as the Securities and Exchange Board of India/Government of India/Reserve Bank of India /Foreign Exchange Promotion Board of India or such other appropriate authorities, inside or outside India, may impose at the time of their approval and as agreed to by the Board or any Committee thereof”.

9. APPOINTMENT OF MR. DENNIS QUINN AS DIRECTOR (INTERNATIONAL OPERATIONS) AND TO FIX HIS REMUNERATION.

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

“RESOLVED THAT the approval of the Members of the Company be and is hereby accorded to appoint of Mr. Dennis Quinn as Director (International Operations) for a period of 3 years w.e.f. 01/08/2010”.

“RESOLVED FURTHER THAT pursuant to Section 198, 269 and 309 of the Companies Act, 1956 along with all other applicable provisions (if any) and subject to the approval of the Central Government, the approval is hereby accorded that with effect from 1st August 2010 Mr. Dennis Quinn, Director (International Operations) be paid as remuneration a sum of US\$ 10,000 (US Dollar Ten Thousand) only per month plus reimbursement of actual expenses, and special allowance on account of his travel to India for work purpose and on such other terms and conditions as may be decided by the Board of Directors “.

10. INCREASE IN NUMBER OF DIRECTORS BEYOND TWELVE.

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

“RESOLVED THAT pursuant to Section 258, 259 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, the number of Directors of the Company for the time being in the office be increased from twelve to Twenty”.

“RESOLVED FURTHER THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, existing Article 105 (a) of the Articles of Association of the Company shall stand deleted and the following shall stand substituted in its place and stead as new Article 105(a) with effect from the date of Central Government's approval in accordance with the provisions of the Companies Act, 1956:

105 (a) . Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (Three) and shall not be more than 20 (Twenty)

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

**By order of the Board
For Entegra Limited**

Place: Mumbai
Date : August 23, 2010

**Sd/-
Rekha Jagdale
President & Company Secretary**

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

NOTES

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

3. Members / Proxies are requested to bring their copy of the Annual Report and the Attendance Slip sent herewith to attend the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 23rd September 2010 to Friday, 24th September 2010 (both days inclusive) for the purpose of 15th Annual General Meeting.
5. All documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 10.00 a.m. and 5.00 p.m. on all working days from the date hereof upto the date of the Meeting.
6. Members are requested to notify immediately any change in their address along with Pin Code Number to the Company / Share Transfer Agents.
7. 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.
8. Members may avail of the facility of dematerialisation by opening Depository accounts and get the equity share certificates held by them dematerialised.
9. Pursuant to the requirement on Corporate Governance under Clause 49 of the listing agreements entered into with stock exchanges, the information about Directors proposed to be appointed / re-appointed is given in the Annexure to the Notice.
10. Members are requested to address all correspondence to the Registrar and Share Transfer Agent, M/s Bigshare Services Pvt. Ltd., E - 2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 073.
11. Members are requested to send their queries, if any, on the Annual Accounts of the Company at least 7 days before the date of Annual General Meeting to the Secretarial Department.

Details of Directors seeking Appointment / Reappointment at the ensuing Annual General Meeting.

Particulars	Mr. Warij A. Kasliwal	Mr. Pradeep Goyal	Mr. Dennis Quinn	Mr. Alok Sinha
Date of Birth	2 nd July 1954	20 th November 1955	25 th January 1956	1 st November 1948
Date of Appointment	31.01.2005	17.06.2008	29.04.2009	23.01.2010
Expertise in specific functional area	Power and Textile Industry	Technical	Power Industry and Commercial	Commercial, Liasoning and Administration.
Directorships held in other Public Companies	1) Unitex Designs Limited 2) S. Kumars Limited 3) S. Kumar Enterprises (Synfabs) Limited 4) SKM Fabrics (Amana) Limited 5) S. Kumars (Investment) Limited (U.K) 6) S. Kumars Life Assurance Corporation Limited	1) Pradeep Metals Limited 2) Uniphos Enterprises Limited 3) United Phosphorous Limited 4) Hind Rectifiers Limited	Nil	Nil
Membership / Chairmanships of Committees of other public companies (includes only Audit and shareholders / Investors Grievance Committee)	1) Unitex Designs Limited	1) Uniphos Enterprises Limited 2) United Phosphorus Limited	Nil	Nil
Number of shares held in the Company	Nil	Nil	Nil	Nil

**By order of the Board
For Entegra Limited**

Place: Mumbai
Date : August 23, 2010

**Sd/-
Rekha Jagdale
President & Company Secretary**

EXPLANATORY STATEMENT

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

ITEM NO. 6:

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. Alok Sinha as an Additional Director of the Company with effect from 23rd January 2010. Mr. Alok Sinha 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 them as a candidate for the office of a Directors of the Company.

Mr. Alok Sinha, son of Prof. N. C. Sinha is an IAS Officer of 1973 batch (UP Cadre) was in the rank of Secretary to the Government of India and has retired as Chairman & Managing Director of Food Corporation of India. He has worked in various positions like Chairman of UP Bridge Corporation, Secretary of Tourism & Culture in UP Govt. He was instrumental in pioneering the first PPP Projects for setting up new ventures such as International Convention Center at Agra, introduction of advanced technologies like clover leaf fly over constructions in Delhi by UP Bridge Corporation, etc. He has also worked as Senior Programme Officer on United Nations Development Programme

Except Mr. Alok Sinha none of the Directors are concerned or interested in this resolution.

The Board of Directors recommend the passing of resolution.

ITEM NO. 7:

Investments in excess of the specified limits under Section 372 (A) of the Companies Act, 1956

Since the Company has given guarantees to the Lenders of subsidiary company Shree Maheshwar Hydel Power Corporation Limited to the tune of Rs. 1933 Crores and taking into consideration the investment already made by the Company in Shree Maheshwar Hydel Power Corporation Limited of Rs. 236 Crores which exceeds the prescribed limit under Section 372 (A) of the Companies Act, 1956, an approval of Shareholders by passing a Special Resolution is required.

Further the Company has planned to invest into Nevaa Solar Power Company Private Limited another wholly owned subsidiary company for implementation of 10 MW Concentrated Solar Thermal Power Project, 1 MW Concentrated Photovoltaic Power Project, 30 MW Concentrated Solar Thermal Power Project and 9 MW Solar Photovoltaic Power Project in the state of Rajasthan.

None of the Directors of the Company is, in any way, concerned or interested in the resolution. The board believes that it is in the interest of the company and therefore recommends the resolution for your approval

ITEM NO. 8:

Issue and Allotment of shares and other securities of the Company by way of QIP:

This resolution relates to a proposal by the Company to issue /offer and allot Equity shares / Preference shares, Foreign Currency Convertible Bonds / any securities convertible into Equity Shares/Securities/ Depository Receipts /Non-Convertible Debentures / Bonds/Compulsory Convertible Preference Shares, etc. with or without warrants in the course of domestic/international offering. The proposed utilization of the proceeds includes augmenting the long term funds requirement of the Company for capital expenditure, working capital, general corporate purposes, including but not limited to investments.

The detailed terms and conditions for the offer will be determined in consultation with the Advisers, Merchant Bankers, Lead Managers and Underwriters and such other authority or authorizes as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

Equity shares or other instruments convertible into equity shares to be offered under Qualified Institutional Placement to Qualified Institutional Buyers or other entity/ies, as may be permitted, will be in accordance with Guidelines for Qualified Institutional Placement (QIP) as permitted under Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009.

The pricing of the international issue will be free market pricing in accordance with international practice and will be at a price not less than what is mentioned in Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 read with issue

of Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipt Mechanism)

Since the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of securities or shares to be issued. For reasons aforesaid, an enabling resolution is being passed to give adequate flexibility and discretion to the Board to finalize the terms. However the issue will be of an aggregate amount not exceeding Rs.1000,00,00,000/- (One Thousand Crores only). Securities issued pursuant to the domestic / international offering would be listed at any stock exchanges in India and/or on International offering would be listed at any stock exchanges in India and/or International /Overseas Stock Exchange(s) wherever applicable and necessary and may be represented by Bonds or Depository Receipts or other securities outside India.

The Special Resolution seeks to give the Board powers to issue securities in such tranche or trenches at such time or times at such price or prices and to such persons including institutional and /or incorporated bodies and /or individuals or otherwise as the Board may, in its absolute discretion, deem fit.

The consent of the Shareholders is being sought pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges in India where the Equity Shares of the Company are listed.

None of the Directors is concerned or interested in this resolution. The Board of Directors believes that such issue is in the interest of the Company and therefore recommends the resolution for your approval.

The Board of Directors recommend the passing of resolution.

ITEM NO. 9:

TO FIX THE REMUNERATION OF MR. DENNIS QUINN, DIRECTOR (INTERNATIONAL OPERATIONS)

The Board of Directors has appointed Mr. Dennis Quinn as Director (International Operations) w.e.f. 1st August 2010 subject to the approval of the shareholders and also subject to the approval of the Central Government on a remuneration of US\$ 10,000 only per month plus re-imbursement of actual expenses and special allowance on account of his travel to India for work purpose, subject to taxes as applicable and on the terms and conditions as detailed in the agreement which is available for inspection with the Secretarial Department.

GENERAL INFORMATION AS PER SECTION-II (B) (IV) OF SCHEDULE XIII OF COMPANIES ACT, 1956

I. General Information:

1. Nature of Industry: Power Sector
2. Date of Commencement of Commercial production: Already in Operation
3. Financial Performance: Current year the company has achieved Income of Rs. 1,63,28,000/- only from Renewable Energy business
4. Export Performance: Nil

II. Information About the Appointee

1. Background Details: Mr. Dennis Quinn an MBA and Under Graduate from Oregon State University, has an extensive experience in both the regulated and non-regulated electric utility industry and renewable energy development with over US\$ 500mn of the projects successfully operating worldwide. Mr. Dennis has experience of more than 25 years with a leading US investor-owned integrated utility and past ownership of an independent power company in the US.
2. Past Remuneration: US \$10,000 only
3. Recognition or Awards: N.A.
4. Job Profile and Suitability:

Mr. Dennis Quinn will work as a Co-ordinator, Facilitator of the company to promote the Technical, Financial Collaborations between Entegra & Overseas Entities, to promote export/import for Entegra and to act as a communication channel between Entegra & Overseas clients/suppliers/vendors etc

5. Proposed Remuneration:

US \$ 10,000 only per month plus re-imbursement of actual expenses and special allowance on account of his travel to India for work purpose.

6. Director (International Operations) shall not have any other pecuniary relationship directly or indirectly with the Company or with any of the managerial personnels of the Company.

III. Other Informations.

1) Reason for loss or inadequacy of profit :

The Company has promoted Shree Maheshwar Hydel Power Corporation Limited, which is setting up 400 MW Hydro Power Station on the Narmada River in Madhya Pradesh. The Project is expected to commence generation by December 2010. Further the Company is establishing 10 MW CSP Project and 1MW CPV Project in the state of Rajasthan. The EPC business to set up Wind Solar Hybrid Station is started in 2009. As the Major Projects are in the implementation stage the returns on investment is expected from the financial year 2011-2012.

2) Step taken or proposed to be taken for improvement:

Steps are taken to expedite the completion of major projects i.e. Shree Maheshwar Hydro Power project and also strengthening the EPC Division as a result Company is expected to earn profits w.e.f. Financial Year 2011-2012.

3) Expected increase in productivity and profits in measurable terms.

The company expects to reach the revenue of the Company upto Rs.274.56 Crores and Profits of upto Rs.103.92 Crores by the Financial year 2011 2012.

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. 10:**INCREASE IN NUMBER OF DIRECTORS BEYOND TWELVE.**

The process of reforms in the power sector in India has brought about significant change in the overall industry structure including change in the operational structure, commercial orientation and transparency in operations with thrust on world class practices and controls at all levels.

To meet the new challenges and to comply with the requirement of Clause 49 of the Listing Agreement relating to Corporate Governance, it is imperative that the Company's Board is strengthened to enhance its effectiveness, which is central to maximizing long term shareholder value. The Company accordingly needs to have a set of Directors with appropriate qualifications skills, experience and / or background in diverse or related fields. In view of the above and to comply with the mandatory Corporate Governance requirement and other applicable provisions of law, it is proposed to increase the total number of Directors for the time being in the office, exceeding twelve.

Consequently, Article 105 (a) of the Articles of Association of the Company is sought to be amended in the manner as set out in the resolution.

In terms of Section 259 of the Companies Act, 1956, the aforesaid amendment requires approval of the Central Government besides obtaining approval of the shareholders by passing Special Resolution.

The Board of Directors recommend the passing of resolution.

None of the Directors of the Company are, in any way, concerned or interested in the said resolution.

**By order of the Board
For Entegra Limited**

Place: Mumbai
Date : August 23, 2010

**Sd/-
Rekha Jagdale
President & Company Secretary**

DIRECTORS' REPORT

To The Members,

Your Directors are pleased to present the Fifteenth Annual Report and the Audited Accounts of the Company for the year ended on 31st March, 2010 along with the Management Discussion and Analysis Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A detailed review of the progress and the future outlook of the Company and its business, as stipulated under clause 49 of the Listing Agreement with the stock exchange, are 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 31/03/2010	The year ended on 31/03/2009
Profit/(Loss) before depreciation & tax & Prior period / Pre operative expenses	(290,568,745)	90,439,449
Less : Depreciation	465,482	451,125
Profit/(Loss) before tax & prior period adjustment / Pre operative expenses	(291,034,227)	89,988,324
Less : Provision for tax	-	1,500,000
Less : Fringe benefit tax	-	519,000
Less : Deferred tax	(322,423)	40,071
Profit/(Loss) after tax but before Prior period adjustment / Pre –Operative Expenses	(290,711,804)	87,929,253
Less: Prior period adjustments / Pre operative expenses no longer required	357,841	77,836,212
Adjusted Profit/(Loss)	(291,069,645)	10,093,041
Add: Profit/(Loss) brought forward from previous year	140,348,208	130,255,167
Balance carried to Balance Sheet	(150,721,437)	140,348,208

DIVIDEND:-

Directors do not recommend any dividend.

THE YEAR IN RETROSPECT:-

With effect from 01.04.2009, your Company started to focus fully on the Renewable Energy Business. During the Financial Year ended 31.03.2010, the Company could make a good beginning with a small turnover of Rs. 1,63,29,000/- .

In the year, as per the scheme of merger of SKG Power Ventures Pvt. Ltd. with Entegra Limited approved by the Hon'ble High Court of Bombay, Shree Maheshwar Hydel Power Corporation Limited became a Subsidiary Company of your company with 68.73 % equity holding. The Maheshwar Project work is in progress and is expected to commence generation by December 2010.

The EnnerGreen Solutions division has completed 2 Wind Solar Hybrid Projects of 12 KW each at Rajiv Gandhi Proudhyogiki Vishwavidyalaya (RGPV) in Bhopal, Madhya Pradesh and 10 KW Off-grid Wind - Solar Hybrid system at VRDE in Ahmednagar, Maharashtra. Further, 4 Energy parks have been established at Ujjain, Sehore, Shahdole & Datia in Madhya Pradesh.

The 10 MW CSP Project & 1 MW SPV Power projects are being set up in Jodhpur district in the state of Rajasthan. The land for the same has been acquired. Tariff of both the projects has been approved by the CERC with Power Purchase Agreement (PPA) signing expected by end of October 2010. The financial closure is expected to be achieved in the January 2011 time frame.

BUSINESS OUTLOOK & PLANS:-

The Company has now established itself as a leading player in Renewable Energy Business.

During the FY 2010-2011, the EnnerGreen Solutions Division has planned to market aggressively its expertise in RE technologies to capture opportunities of EPC for Wind Solar Hybrid Projects, Consultancy assignments for Rural Electrification Programmes, setting up of Energy parks, etc.

The implementation of 10 MW CSP and 1 MW SPV projects will commence shortly, the 1 MW SPV Project is expected to achieved commercial operational in 2011 while the 10 MW CSP is expected to be operational in FY 2012-13.

The Company is planning development of a 30 MW CSP project in Rajasthan using the same technology under the JNNSM program. This project, if selected, will follow on the heels of the 10 MW CSP project and will achieve commercial operation in 2013. Under the same JNNSM program, the Company may also propose a 5 MW SPV project in Rajasthan for development and completion in late 2011.

The Company is looking out for development opportunities for new Hydro Power Projects in the North and North East region. With the experience of hydro power team and assured cash flow from Maheshwar Project, your company is well positioned to take up development of more hydro power projects.

SUBSIDIARY COMPANIES:-

The statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the Company's subsidiaries is attached.

The accounts of Shree Maheshwar Hydel Power Corporation Limited (SMHPCL), Ennertech Biofuels Limited (EBL) and Nevaa Solar Power Company Private Limited (NSPCPL), the subsidiary companies of Entegra Limited are annexed.

Nevaa Solar Power Company Private Limited was incorporated as subsidiary company w.e.f. 10.11.2009 to implement the Solar Power Projects in the state of Rajasthan.

DEMATERIALISATION OF SHARES:-

The trading in equity shares of the company is permitted only in dematerialised form. The company offers transfer-cum-demat facility to those who have sent the share certificates for transfer. A total of 90.12% shares are held in dematerialised form with NSDL and CDSL as on 31st March, 2010.

SECRETARIAL AUDIT REPORT:-

The Company has appointed M/s. Pramod S. Shah & Associates, Practising Company Secretary, to conduct Secretarial Audit of the Company. The Audit is carried out every quarter and the report thereon is placed before the Board of Directors & thereafter is submitted to Stock exchanges.

DIRECTORS:-

In terms of Article 123 of the Articles of Association of the Company, Mr. Warij Kasliwal, Mr. Pradeep Goyal and Mr. Dennis Quinn, Directors retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Further, pursuant to the provisions of Section 260 of the Companies Act, 1956 and as per the provisions of the Articles of Association of the Company, Mr. Alok Sinha has been appointed as an Additional Director with effect from 23rd January, 2010 & is to be appointed as Director liable to retire by rotation in Annual General Meeting. The Board recommends confirmation of the appointment as Director liable to retire by rotation in the ensuing Annual General Meeting.

Mr. Dennis Quinn has been appointed as Director (International Operations) w.e.f. 1st August, 2010. Mr. Dennis Quinn will explore International opportunities for business of the Company.

AUDIT COMMITTEE:-

In accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company has constituted the Audit committee which currently consists of Mr. Ashish Jalan - (Chairman of Audit Committee), Mr. Hiten Khatau, Mr. Anirudha R. Barwe & Mr. Mukul S. Kasliwal - (Members).

AUDITORS:-

The Joint Statutory Auditors M/s. Walker, Chandio & Co., Chartered Accountants and M/s. Malpani & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and, being eligible, have offered themselves for re-appointment. The Audit Committee and Board of Directors recommend the re- appointment of M/s Walker, Chandio & Co., Chartered Accountants and M/s. Malpani & Associates, Chartered Accountants, as Joint Statutory Auditors of the Company.

The Company has received letters from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

FIXED DEPOSITS:-

The Company has not accepted any Deposits from the public.

CORPORATE GOVERNANCE:-

The Company has been proactive in adhering to the principles and practices of good Corporate Governance. As required under the revised Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed note on Corporate Governance is annexed to this Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' certificate confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

PARTICULARS OF EMPLOYEES:-

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time forms part of this Report. However, as per the provisions of Section 219 (1) (iv) of the Companies Act, 1956 the Report and Accounts are being sent to all the shareholders of the Company excluding the statement of particulars of employees under section 217 (2A) of the Companies Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Corporate Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:-

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that to the best of their knowledge:

- i) The applicable accounting standards have been followed in the preparation of the Annual Accounts.
- ii) Your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the State of Affairs of the Company as at 31.03.2010 and of the profit/loss of the Company for year ended as on that date.
- iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing / detecting fraud and other irregularities.
- iv) Your Directors have prepared the attached Statement of Accounts for the year ended 31.03.2010 on a Going Concern Basis.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:-

Being a Renewable Energy Company, your Company is committed to energy conservation at every stage of its operations. To keep pace with the technology revolution, your Company is taking necessary steps in utilising modern and advanced technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO:-

Earnings : Nil
Outgo : Rs. 7,094,977/-

ACKNOWLEDGMENT:-

Your Directors wish to place on record their appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Advisors, Vendors and Members during the year under review. Your Directors wish to place on record their appreciation for the committed services of the executives & staff of the Company.

For and on behalf of the Board,

Sd/-
Mukul Kasliwal
Chairman

Place: Mumbai
Date : August 23, 2010

MANAGEMENT DISCUSSION & ANALYSIS (forming part of the Directors' Report for the year ended 31st March, 2010)

Year 2009-10 has seen the further coming of age of the global movement for promoting sustainable energy. With countries around the world intensifying commitment to legislation and increasing clean energy targets. The Indian Government has also accelerated its pursuit of an increase in the contribution of renewable energy in the total power generation capacity of the country, with renewed policy and regulatory thrust towards promotion of renewable sources of energy.

Your Company is pleased to report that it is fast emerging as a Renewable Energy Conglomerate with a strong foothold in Renewable Energy sector with its flagship 400 MW Maheshwar Hydro Power project and headstart in solar energy and integrated Renewable Energy solutions (EPC) projects under various stages of development.

The year saw your Company move forward in the generation and development of power from Renewable Energy (RE) resources with its Maheshwar Hydro Electric Project reaching advanced stages of completion. Your company has incurred 87% (over Rs 2,400 crore) of the total project cost till date, and three turbines are expected to be commissioned by December 2010. Further, your Company's foray into solar energy generation through a 'first-of-its-kind' 10 MW concentrated solar power (CSP) project and 1 MW photo voltaic (PV) project are progressing well. The Company has already acquired the land for these projects and is expecting to start the construction shortly after year end. The CSP project is expected to achieve commercial operation by late 2012 and PV project will be commissioned by mid-year 2011. The Company has plans to scale up the CSP capacity from 10 MW to 40 MW and PV capacity from 1 MW to 6MW in Rajasthan through participation in the National Solar Mission Phase I Program which is currently underway.

During the year, apart from concentrating on generation activities, your Company made concerted efforts to consolidate its position as a provider of customized Renewable Energy solutions to residential, commercial, industrial and public infrastructure facilities. EnnerGreen Solutions implemented several key EPC projects in this space including: installation of 2 wind/solar hybrid installations of 12KW each for Rajiv Gandhi University in Bhopal; installation & commissioning of 10 KW wind/solar hybrid system for Vehicles Research & Development Establishment in Vahan Nagar, Ahmednagar, and several energy parks in the state of Madhya Pradesh. With implementation of grid-connected CSP and PV projects in Rajasthan and proven track record in EPC space, Your Company would be well placed to provide EPC services to new developers under National Solar Mission's ambitious "20000 MW Solar Power Development Programme".

Further, your Company has been approved as an empanelled consultant for preparation of detailed project report under Decentralized Distributed Generation (DDG) scheme of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) of Ministry of Power. It also received approval from Ministry of New & Renewable Energy for manufacturing Solar Home & Street Lighting and Lanterns.

During FY2011, your Company plans to aggressively pursue the opportunities in the RE & EPC business for wind/solar hybrid projects, consultancy assignments for rural electrification programmes, setting up of energy parks, grid-connected solar power projects etc. These initiatives will help your Company to strengthen its presence in the Renewable Energy space.

1. Industry Overview

Eliminating power deficit through energy efficiency

India is a power deficit country with a total deficit of 10.1% and a peak deficit of 13.8% in 2009-10 (Source: CEA). The Government of India (GoI) has initiated a "Power for All" programme, aiming to overcome the deficit situation by 2012, with target of power capacity addition of 90,000 MW in the 11th Five-Year-Plan (2007-12). Per capita of electricity consumption is expected to rise to 1,000 kwh in 2012 from 704 kWh in 2007-08 (global average: 2,500kWh). If India continues to grow at an average of 8% for the next 10 years, then, demand for power is likely to soar from around 120,000 MW, at present, to 315,000-355,000 MW by 2017. To sustain high growth rates in the economy, India needs huge capacity creation in power generation. Although the share of energy from fossil fuels will continue to dominate the energy mix, the Government has laid special emphasis on increasing the contribution from renewable sources of energy.

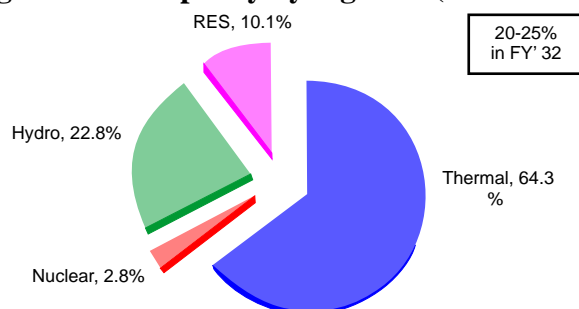
Renewable Energy Opportunity

Renewable Energy is being increasingly targeted due to strained availability of hydrocarbon fuel basket and environmental concerns in thermal power generation. During FY2010, India added 2,330 MW of grid-connected renewable power generation capacity, an all time record, which is more than double the capacity (1,100 MW) added during FY2009. The record performance takes the country's total installed capacity of Renewable Energy to 16,429 MW (as of June 2010), far outstripping the performance of many industrialised nations including the UK, France and Japan.

As per the Government, India has a power generation potential of 90,000 MW from different Renewable Energy sources in the country, with wind power accounting for 50% contribution, small hydro power 17%, biomass 23% and others (10%) and in addition, has Solar Power Potential

of 50 MW/Sq. Km. In order to tap this huge potential, the Government plans to increase the installed capacity from renewable sources from 16,429 MW at present (June 2010) to 80,000 MW by 2032.

Power generation capacity by segment (as of June'10)



Source: Ministry of New and Renewable Energy

India has an enormous potential of renewable energy across various sources. However, the existing capacity is yet to match that, leaving a huge untapped potential.

RE Sources	Potential	Existing Installed Capacity (June'10)
Wind	48,561MW	12,009MW
Small Hydro (upto 25 MW)	15,384MW	2,676MW
Biomasspower /cogeneration	21,881MW	2,312MW
Solar Power	50MW/Sq. Km.	9.30MW
Solar Water Heating Systems	140mn sq. m Collector area	3.53mn sq. m Collector area
Urban and Industrial Wastebased power	70,000MW	72.46MW
Biogas Plant	12mn	4.26mn

Source: Ministry of New and Renewable Energy

Hydro power - huge potential for growth

Hydro power, which accounts for about 22.8% of the total installed power generating capacity in India, is presently amongst the richest sources of Renewable Energy.

India is blessed with immense amount of hydro-electric potential and ranks 5th in terms of exploitable hydro-potential on global scenario. As per assessment made by Central Electricity Authority (CEA), India is endowed with economically exploitable hydro-power potential to the tune of 148,700 MW of installed capacity. However, only 25% (36,953 MW) of the potential has been harnessed so far. Thus, there is strong potential to scale up capacities.

Basin / Rivers	Probable Installed Capacity (MW)
Indus Basin	33,832
Ganga Basin	20,711
Central Indian River System	4,152
Western Flowing Rivers of southern India	9,430
Eastern Flowing Rivers of southern India	14,511
Brahmaputra Basin	66,065
Total	1,48,701

According to the CEA monthly review of the Power Sector (as of Jun 30, 2010), the total installed power generation capacity in the country was 162,366 MW and hydropower accounts for 36,953 MW (23%). The ideal hydro thermal mix stands at 40:60 and the current share of installed

hydro capacity in India holds a huge potential to expand. Currently, the private sector accounts for only 3.3% (1,233 MW) of the total hydropower capacity in India. Government of India is encouraging the development of such projects through public and private sector participation in various states. The region-wise status of development is as follows:

Region	Identified Capacity (25MW)	Installed Capacity (MW)	Capacity to be Developed (MW)	Opportunity (%)
Northern	53,395	13,351	40,044	75%
Western	8,928	7,447	1,481	17%
Southern	16,458	11,157	5,301	32%
Eastern	10,949	3,882	7,067	65%
North - Eastern	58,971	1,116	57,855	98%
All India	148,701	36,953	111,748	75%

Source : CEA

Solar Power receiving major policy thrust

As part of the National Action Plan on Climate Change, the Government has set the target of increasing contribution of renewable energy sources in power generation to 10% by 2015. Although the installed Renewable Energy capacity is more than 10% (16,429 MW) of the total generation capacity, the contribution of renewable energy to real power generated is only 4% at present. Most of this power is likely to come from wind and solar energy plants.

In order to achieve this goal, the Government has announced a host of financial incentives under the Jawaharlal Nehru National Solar Mission to attract private investors and reward existing investors. The Government would offer project developers tax breaks and options to form power purchase agreements with power exchanges to provide financial flexibility. It has also set an attractive power tariff of Rs 17.91 per kWh for power generated from a solar PV plant and a tariff of Rs. 15.31 per kWh for CSP Projects. To assure returns to investors, the Government has also established a security fund which would secure payments to the project developers in the event of default by the power purchaser, NRVN. Financing for Solar Projects under the National Solar Mission is expected to be available from Public Service Undertaking Banks, Multilateral Agencies and commercial institutions.

With the incentives provided above, the National Solar Mission plans to support up to 20,000 MW of grid solar power and 2,000 MW off-grid solar power by 2022. The National Solar Mission also aims to develop solar technologies for making solar power competitive to conventional grid power. India is looking to generate 1,000 MW of solar power by 2013 under the National Solar Mission. About 500 MW of the expected solar power would come through thermal power and another 500 MW from photovoltaic cells in the next three years.

Standalone RE Solutions

The Cabinet Committee on Infrastructure (CCI) has given its nod for continuation of Remote Village Electrification Programme during the remaining period of the Eleventh Plan (2007-2012). The programme is expected to cover 10,000 remote villages which are proposed to be electrified through small Renewable Energy sources e.g. small hydro power, biomass gasification and solar photovoltaic technology, so as to improve the well being of population living in the far flung isolated areas.

The Government of India has also set a medium scale goal of deployment of solar water heating systems in 1million homes, manufacturing 5million solar lanterns and 2million solar home lighting systems and setting up an additional 3million family size biogas plants.

There is a continuous drive through policy incentives and regulatory thrust towards promotion of renewable sources of energy. The robust opportunities unfolding in the sector will see the private sector play a pioneering role in the Indian Renewable Energy space.

2. Business Overview

Your company is emerging as a Renewable Energy leader with its flagship 400 MW Maheshwar Hydro Power project and early moves into solar (thermal & photovoltaic) energy and integrated renewable energy Renewable Energy solutions.

a) Hydel Power 400 MW Maheshwar Hydro Power Project:

Your Company, through its subsidiary - Shree Maheshwar Hydel Power Corporation Ltd. (SMHPCL), is currently implementing 400MW (10 x 40MW) run-of-the-river Hydro Power Project with storage of upto 28 mm3 on Narmada river in Madhya Pradesh, under build-own-operate (BOO) plan.

Your Company holds 68.73% of the subsidiary SMHPCL, post the merger of SKG Power Ventures with it.

Long-term PPA with attractive base RoE: The key strength of the project is the 35-year Power Purchase Agreement with Madhya Pradesh (MP) Government, with a guaranteed base return on equity (ROE) of 15.5%, which can further go up to 31.8% at 99% availability. The payment from MP Government is backed by Letter of Credit from State Bank of India, escrow account and guarantee from State Government. The expected power generation from the project is around 1,488 million units. The recent study by Snowy Mountains Engineering Corporation (SMEC) indicates that sufficient water is available throughout the year for the targeted power generation. Sardar Sarovar dam is further downstream, which has three times generating capacity of Maheshwar project.

Project nearing completion: Your Company has already spent over Rs 2,400 crore on the project. SMHPCL expects to commission the three turbines by the end of December 2010.

b) Solar Power

Apart from the Maheshwar Hydro Power Project, your company is also involved in various ongoing high value solar projects under build-own-operate (BOO) plan:

i) Rajasthan CSP Project of 10 MW

Your Company has been awarded a 10 MW CSP project near Jodhpur by the Government of Rajasthan and the project has been selected for migration under phase 1 of National Solar Mission. The Company has signed its MOU with the power purchaser, NVVN and is under process of signing a 25-year PPA with NVVN. The project will be first-of-its-kind solar thermal energy generation plant in India.

This is a unique project which would incorporate improvements on existing parabolic trough technology. One key improvement is the use of molten salt to increase plant efficiency. Molten salt transfers heat via the molten salt to storage tanks which can be used for the production of steam and electricity when the sun is not available. Unlike competing CSP technologies, there is no intermediary heat transfer fluid which has the limitation of delivering lower temperature steam to the power block. 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, timely completion and cost. As a result of the high temperatures maintained in the solar field, the project benefits from the use of conventional steam turbine equipment. Techint (the consortium leader with annual revenues of over \$25bn) will be the project's EPC solar block contractor.

Project Status: 69 hectares of land has been acquired for the project (including land for 1 MW PV project) near Jodhpur, Rajasthan. The construction work would commence shortly after signing of Power Purchase Agreement & achieving financial closure. The project is expected to generate a ROE of 16%-18% with commercial production to begin in the year 2012/13. Central Electricity Regulatory Commission (CERC) has approved a levelised tariff @Rs 15.31 per unit.

Effective steps are being taken to scale up the capacity by development of another 30 MW at a nearby site. The cost (per MW) of the increased capacity is expected to be measurably lower as compared to the existing cost of the project.

ii) Rajasthan PV Project 1 MW

Entegra has proposed a 1 MW grid-connected solar photovoltaic project (estimated capital cost - Rs 14 crore) utilizing a unique tracking technology that will achieve a higher output of energy per MW than conventional fixed-frame systems.

Project Status: The land has been acquired for the project near Jodhpur, Rajasthan. The project has an estimated ROE of over 25% and is expected to begin commercial production by the end of December 2011. CERC has approved a levelised tariff @Rs 17.91 per unit. Company is proposing to develop an additional 5 MW of SPV capacity during Phase I of the National Solar Mission at a nearby site.

c) EPC Business

Enner Green Solutions (EGS)

In line with your Company's focus on providing customized Renewable Energy solutions to residential, commercial, industrial and public infrastructure facilities, Enner Green solutions implemented several key EPC projects during the year including - i) design, supply and installation of 2 wind/solar hybrid systems of 12 KW each for Rajiv Gandhi University in Bhopal; ii) supply, installation & commissioning of 10 KW wind-solar hybrid system for Vehicles Research & Development Establishment, Vahan Nagar, Ahmednagar (a Government of India, Ministry of Defence organisation) and iii) commissioning of several energy parks in the state of Madhya Pradesh.

Your Company has been recently approved by Ministry of New & Renewable Energy (MNRE) as a manufacturer for Solar Home & Street

Lighting and Lanterns. Further, it has also been approved as an empanelled consultant for preparation of detailed project report under decentralized distributed generation (DDG) scheme of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) of Ministry of Power. These landmark projects will pave the way for securing similar contracts in the future.

3. Financial Highlights

As the operations of Shree Maheshwar Hydel Power Project are underway, your Company has not reported any significant revenues and profits during the year. Financial year 2011-12 would have considerable contribution from the project.

4. Opportunities

There is a continuous push towards promotion of renewable sources of energy, with the emphasis on emission reduction strategies in a post Copenhagen dispensation. Following the release of the National Action Plan for Climate Change (NAPCC), which stipulates a minimum purchase of 6% from Renewable Energy sources the central regulator has laid down a framework for trading in Renewable Energy certificates, and the emissions trading market to develop over the short to medium term.

Solar energy has received a boost; with notification of the Jawaharlal Nehru National Solar Mission (a subset of the NAPCC), which aims to scale up solar capacity to 20 GW by 2022, although many policy and regulatory issues need to be ironed out before the ultimate objective of grid parity of solar tariff is achieved.

5. Risks and Concerns

Some of the key risks and concerns have been identified and appropriate steps will be taken to mitigate the adverse impact of the same.

Business risk - includes need for continues technological up-gradation to meet the green energy standards and customers' expectations for better value.

Regulatory risk - The decrease in or elimination of Government incentives relating to Renewable Energy sources may have a material adverse effect on the demand for such power sources.

Foreign exchange risk - Fluctuation in the value of the Rupee against other currencies could adversely affect the cost of yours Company's borrowings, repayment of debt and profitability.

6. Internal Control Systems and their Adequacy

Your Company has placed considerable emphasis and effort on internal control systems. On the Finance and Administrative side, the internal checks and balances are augmented by a formal system of internal and management audit. The Audit Committee of the Board reviews and will continue to review the adequacy and effectiveness of the internal control systems and suggest improvements for strengthening them.

7. Material Developments in Human Resources

Human resources continued to be recognized as the most valued asset. Your Company is adequately managed with professionals to take care of all operations and allied activities. Adequate number of technically qualified and well experienced staff exists for the day-to-day operations of the company. Emphasis is given on qualitative growth of Entegra's human resources by providing congenial & constructive work environment.

8. Cautionary Statement

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ materially from those expressed or implied.

The company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

For and on behalf of the Board,
Sd/-

Mukul Kasliwal
Chairman

Place: Mumbai

Date : August 23, 2010

CORPORATE GOVERNANCE

Report on the compliance of the Corporate Governance Code is given below

1] COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in transparency, empowerment, accountability, safety of people and environment, motivation, respect for law and fair business practices with all its stakeholders. These practices, being followed since inception, have helped the Company in its sustained growth.

2] BOARD OF DIRECTORS

A] BOARD COMPOSITION:

The Board of Directors consists of 12 members with 8 Independent Non-Executive Directors. Mr. Mukul S. Kasliwal and Mr. Warij A. Kasliwal continue to be the Non-Executive Chairman and Vice-Chairman, respectively. Mr. V. K. Jain is the Managing Director of the Company. The composition of the Board is in conformity with the Corporate Governance Code and brief resume of each Director is given below.

BRIEF PROFILE OF THE BOARD OF DIRECTORS

1. **Mr. Mukul S. Kasliwal**, son of Shri Shambhukumar Kasliwal completed his Bachelor's degree in Accounting & Economics from the prestigious Sydenham College of Commerce & Economics, Mumbai and thereafter graduated with an MBA in Finance & Economics (with distinction) from the Simon School of Business, University of Rochester, USA. Recently he has been conferred Degree of Doctor of Business Administration Honoris Causa prestigious Greenwich University, UK.

He is the youngest business leader to be appointed to the high powered National Manufacturing Competitiveness Council (NMCC) by the Government of India, as also the youngest ever appointed Chairman of the prestigious Malaviya National Institute of Technology (MNIT) by the Government of India. He is also a Member on the Executive Advisory Committee of Simon School of Business and chairs the Centre for India Business, Greenwich University UK.

2. **Mr. Warij A. Kasliwal**, son of Late Shri Abhayakumar Kasliwal, is a Bachelor of Science and an associate of the National College of Rubber Technology, London. He has business experience of over 30 years and is presently looking after corporate affairs of the group. He is also member of various business associations like the Maharashtra Chamber of Commerce and Bombay Management Association.
3. **Mr. Vijendra Kumar Jain**, son of Late Shri Sobhagmal Jain, is a Bachelor of Commerce and is a Member of Institute of Chartered Accountants of India. He has been associated with various industries like Paper, Agro, Chemicals, Shipping, Textile and Power for around 30 years in various capacities. He has wide experience in the field of Accounts, Audit, Taxation, Company Law Matters, MIS, Financial Management & Control, Mergers & Acquisitions, Public Issues and Management of Businesses.
4. **Mr. Prabhakar L. Nene**, son of Late Shri Laxman Nene, is B.Sc. (Engg) and a Chartered Engineer and holding membership of several professional institutions. He has more than 50 years of experience in the power sector and was Chairman of Madhya Pradesh State Electricity Board.
5. **Mr. Ajit C. Kapadia**, son of Late Shri Chandulal Kapadia, is B.Sc. (Hons) from Bombay University, M. Chem. (Chemical Engg) from University of Louisville, USA, Business Management from Alexander Hamilton Certificate Institute, USA and Senior Management from Management College Course Greenlands Estate, Henley, U.K. He has vast experience in the Energy field and is the Vice Chairman of Centre for Fuel Studies and Research (CFSR).
6. **Mr. Hiten A. Khatau**, son of Late Shri Abhay Khatau, a Chartered Accountant and alumni of Harvard Business School, belongs to the industrialist family of Khatau and has been brought up in an environment of growth, corporate collaboration and cross-cultural characteristics. He has over 25 years of general management experience in domestic & international

markets as well as in consumer & industrial products. Presently, he is the Chairman and Managing Director of Cable Corporation of India Ltd.

7. **Mr. Ashish S. Jalan**, son of Mr. Sushil Kumar Jalan, is a commerce graduate. He has experience of more than 25 years in the field of electrical equipments industry. He is Chairman of S & S Power Switchgear Limited.
8. **Mr. Soli K. Cooper**, son of Mr. Khurshed Cooper is B.A., L.L.B. from Bombay University and has done L.L.M. from Harvard U.S.A. He is practicing as an Advocate in Supreme Court of India and Mumbai High Court since 1980. He is on board of various companies and is also trustee of F.H.B. Sethna Charity Trust.
9. **Mr. Pradeep V. Goyal**, son of Late Mr. Vedprakash Goyal, earned a B.Tech from IIT, Kanpur. He has also completed S.M. in Materials Science and Engineering from Massachusetts Institute of Technology, Cambridge, USA. He has over 30 years of experience in the Metals industry and is presently the CMD of Pradeep Metals Limited. He was awarded first rank in Metallurgy from the President of India. He is a past Asst Governor of Rotary International, member of Indo German Chamber of Commerce, Executive Committee of Indian Merchant Chambers, a past Trustee of ASM International and Trustee of Ekal Vidyalaya Foundation of India, which operates 32,000 tribal schools all over India.
10. **Mr. Anirudha R. Barwe**, son of Late Mr. Ramkrishna Ganesh Barwe is Graduate in M.Sc. (Mathematics) and 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 as well as being appointed as 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 Government Economic Committees and other listed company boards.
11. **Mr. Dennis Quinn**, son of Mr. James Richard Quinn, an MBA and Under Graduate from Oregon State University, has an extensive experience in both the regulated and non-regulated electric utility industry and renewable energy development with over US\$ 500mn of the projects successfully operating worldwide. Mr. Dennis has experience of more than 25 years with a leading US investor-owned integrated utility and past ownership of an independent power company in the US.
12. **Mr. Alok N. Sinha**, son of Prof. N. C. Sinha is an IAS Officer of 1973 batch (UP Cadre) was in the rank of Secretary to the Government of India and has retired as Chairman & Managing Director of Food Corporation of India. He has worked in various positions like Chairman of UP Bridge Corporation, Secretary of Tourism & Culture in UP Govt. He was instrumental in pioneering the first PPP Projects for setting up new ventures such as International Convention Centre at Agra, introduction of advanced technologies like clover leaf fly over constructions in Delhi by UP Bridge Corporation, etc. He has also worked as Senior Programme Officer on United Nations Development Programme.

B] BOARD MEETINGS:

During the year ended on 31st March, 2010, total 7 board meetings were held respectively on 29.04.2009, 30.07.2009, 30.09.2009, 30.10.2009, 20.11.2009, 14.12.2009 and 23.01.2010. The details of attendance of the directors are as follows: -

Sr. No	Name of the Director	Designation	Attendance at Board Meetings	Attendance at the Last AGM	Category
1	Mr. Mukul S. Kasliwal	Chairman	7	No	Promoter Director
2	Mr. Warij A. Kasliwal	Vice-Chairman	3	No	Promoter Director
3	Mr. Vijendrakumar Jain	Managing Director	7	Yes	Executive Director
4	Mr. Prabhakar L Nene	Director	4	Yes	Independent Director
5	Mr. Ajit C Kapadia	Director	4	No	Independent Director
6	Mr. Hiten A Khatau	Director	5	No	Independent Director
7	Mr. Ashish S Jalan	Director	5	No	Independent Director
8	Mr. Pradeep V. Goyal	Director	5	No	Independent Director
9	Mr. Soli K. Cooper	Director	3	No	Independent Director
10	Mr. Anirudha R. Barwe	Director	6	No	Independent Director

11	Mr. Dennis J. Quinn (Appointed as Director (International Operation) w.e.f. 1.8.2010)	Director (International Operation)	4	Yes	Executive Director (w.e.f. 1.8.2010)
12	Mr. Alok N. Sinha (Appointment w.e.f 23.01.2010)	Additional Director	Nil	No	Independent Director

The details of directorships in other companies, committee memberships and committee Chairmanships as on 31.03.2010 is as follows:

Name of the Director	Directorships in Other Public Limited Companies	Committee Memberships (Other than Entegra Ltd.)	Committee Chairmanships (Other than Entegra Ltd.)
Mr. Mukul S. Kasliwal	8	8	1
Mr. Warij A. Kasliwal	6	0	1
Mr. Vijendrakumar Jain	2	2	0
Mr. Prabhakar L. Nene	4	2	-
Mr. Ajit C. Kapadia	4	-	-
Mr. Ashish S. Jalan	6	-	-
Mr. Hiten A. Khatau	2	1	-
Mr. Soli K. Cooper	-	-	-
Mr. Pradeep V. Goyal	4	3	3
Mr. Anirudha R. Barwe	5	3	3
Mr. Dennis J. Quinn	-	-	-
Mr. Alok N. Sinha	-	-	-

None of the non-executive directors of the company have any other pecuniary relationship or transactions with the company.

3] AUDIT COMMITTEE:-

The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement and the Terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the stock Exchange read with section 292A of the Companies Act, 1956.

During the year 2009-2010, 6 Audit Committee Meetings were held, respectively, on 29/04/2009, 29/07/2009, 30/10/2009, 20/11/2009, 14/12/2009 and 21/01/2010. The details of attendance in the Audit Committee meeting are as under:

Name of the Member	Category	No. of Meetings Attended
Mr. Ashish Jalan	Chairman	6
Mr. Hiten Khatau	Member	6
Mr. A. R. Barwe (w.e.f. 29.04.2009)	Member	5
Mr. Mukul S. Kasliwal (w.e.f. 29.04.2009)	Member	5

The objects of formation of Audit Committee are as under:

- To review with the Auditors, periodically, the internal control systems and the scope of audit, to review the observations of the internal auditors and statutory auditors' report, to review the quarterly, half yearly and yearly financial statements before submission to the Board.
- To look into various types of complaints of different authorities including operations of cash and monetary transactions, reviewing of debtors and creditors, sales and purchase.
- Ensuring Compliance with regulatory guidelines

- d. Significant related party transactions
- e. To help to evolve the best practice system in different areas.

4] REMUNERATION COMMITTEE:-

Brief description of term of reference

- To recommend to the Board the remuneration packages for the Chairman / Managing Director / Whole-time Directors/ Executive Director including pension rights and any compensation payment.

The terms of reference of the Committee are as per the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange.

Composition:

The Remuneration Committee comprises of Four Directors, One of whom is Independent and three are Non-Executive Directors. The Chairman of the Committee is Non-Executive Director nominated by the Board.

Name of the Member	Designation	Category
Mr. Mukul Kasliwal	Chairman	Promoter Director
Mr. A. R. Barwe (w.e.f 30.07.2009)	Member	Non-Executive
Mr. Hiten Khatau	Member	Non-Executive
Mr. Ashish Jalan (w.e.f. 30.07.2009)	Member	Non-Executive

Meetings :

During the year only One meeting of the Committee was held in the period ended 31st March 2010.

Remuneration Policy:

The Non-Executive Directors of the Company do not draw any remuneration from the Company except sitting fees. The sitting fees for each meeting of the Board and Audit Committee is Rs.5,000/- and for Project Monitoring Committee it is Rs.10,000/- per month.

None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.

The details of sitting fees paid to Non-Executive Directors during the Financial Year 2009-10 are as follows:

(figures in Rs.)

Name	Board Meeting	Audit Committee Meeting	Project Monitoring Committee Meeting	Total
Mr. Mukul S. Kasliwal	35,000	25,000	60,000	1,20,000
Mr. Warij A. Kasliwal	15,000	N.A.	N.A.	15,000
Mr. Prabhakar L. Nene	20,000	N.A.	60,000	80,000
Mr. Ajit C. Kapadia	20,000	N.A.	50,000	70,000
Mr. Hiten A. Khatau	25,000	30,000	20,000	75,000
Mr. Ashish S. Jalan	25,000	30,000	N.A.	55,000
Mr. Pradeep V. Goyal	25,000	N.A.	40,000	65,000
Mr. Soli K. Cooper	15,000	N.A.	N.A.	15,000
Mr. Anirudha R. Barwe	30,000	25,000	N.A.	55,000
Mr. Dennis J. Quinn	20,000	N.A.	40,000	60,000
Mr. Alok N. Sinha	Nil	Nil	N.A.	Nil

Managing Director so long as he functions as such, shall not be paid any sitting fee for attending the meetings of Board or any Committee thereof.

Company Secretary acts as Secretary to the Committee.

5] SHARE TRANSFERS AND INVESTORS GRIEVANCES COMMITTEE:

The Share Transfers & Investors Grievance Committee has been constituted as a sub-committee of the Board, primarily to focus on resolving shareholder's grievances. The committee oversees the redressal of shareholders and investors grievances in relation to transfer of shares, non-receipt of annual report, non-receipt of dividend, etc

During the year, 26 committee meetings were held.

Currently the Share Transfer committee is as under:-

Name of the Member	Designation
Mr. Mukul S. Kasliwal (w.e.f. 30.07.2009)	Chairman
Mr. V. K. Jain	Member
Mr. Soli Cooper	Member
Mr. A. R. Barwe (w.e.f. 30.07.2009)	Member

Details of Shareholders Complaints :

During the year under review, a total of 36 complaints were received by the Company from the shareholders / Investors. All the complaints were resolved by the Company to the satisfaction of the investors and as on 31st March 2010, there were no pending letters or complaints.

Name and address of the Compliance Officer is as follows

Mrs. Rekha Jagdale
President & Company Secretary
Entegra Limited
4th Floor, Harchandrai House
Maharshi Karve Road,
Marine Lines (East), Mumbai - 400 002
Tel: 022-66044242, Fax: 022-665503220
email: investor@entegra.co.in

6] GENERAL BODY MEETINGS

i) Annual General Meeting

The Details of Annual General Meeting held in last 3 years are as under :

Particulars	F. Y. - 2006-07	F. Y. - 2007-08	F.Y.-2008-09
Date	27/09/2007	22/12/2008	18/12/2009
Location	Sunville Hall, 9, Dr. Annie Besant Road, Worli, Mumbai 400018.	Sunville Hall, 9, Dr. Annie Besant Road, Worli, Mumbai 400018.	"Orchid Room, 2nd Floor, Sunville Hall, 9, Dr. Annie Basant Road, Worli, Mumbai 400018.
Time	3.30 p.m.	3.00 p.m.	11.30 a.m.
No. of Special Resolution passed	Nil	Nil	2

ii) General Meeting other than AGM in 2009-2010:
a. Extra Ordinary General Meeting:-

Particulars	F. Y. – 2009-10
Date	29.08.2009
Location	Royal Room, 3 rd Floor, Sunville Hall, 9, Dr. Annie Basant Road, Worli, Mumbai – 400018.
Time	11.30 a.m.
Purpose	<ul style="list-style-type: none"> ➤ To increase the Authorised share Capital from Rs. 110 Crores to Rs. 1000 Crores and alteration to the Article 3 of Articles of Association ➤ Issue and allotment of shares and other securities of the Company by way of Qualified Institutional Placements (QIP)

b. Court Convened General Meeting:-

Particulars	F. Y. – 2009-10
Date	27.07.2009
Location	M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, . Dubash Marg, Kala Ghoda, Mumbai 400 001.
Time	2.30 p.m.
Purpose	The Scheme of Merger of SKG Power Ventures Private Limited with Entegra Limited.

No resolutions were passed thorough postal ballot during the last year by the company.

7] DISCLOSURES:-

The Company, during the year, has not entered into transactions of material nature with the directors, promoters and the management that may have potential conflict with the interest of the company at large. Transactions with related parties are disclosed in the notes to accounts.

There were no instances of non-compliance of any matters related to the capital markets during the year.

a) Disclosure of accounting treatment in preparation of financial statements:

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements, except the qualifications included in the audit report of the Statutory Auditors.

b) Details of non-compliance by the Company:

The Company has complied with all the requirements of regulatory authorities. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matters related to capital markets during the last three years.

8] MEANS OF COMMUNICATION

The Company communicates with the shareholders at large through its website www.entegra.co.in and through Annual Reports, publication of financial results in English & Vernacular language newspapers and by submission and filing of reports and returns with all the statutory bodies. The quarterly results are widely published in Economic Times (English Newspaper), Maharashtra Times (Marathi Newspaper) and/or The Free Press Journal (English Newspaper) and Navshakti (Marathi Newspaper).

9] GENERAL SHAREHOLDER INFORMATION

a. 15th Annual General Meeting: -

Day & Date:- 29th September 2010

Time: - 12.00 Noon

Venue: - Sunville, 2nd Floor, Orchid Room, 9, Dr. Annie Basant Road, Worli, Mumbai 400018..

Financial Calendar (tentative) :-

Financial Year	April 1 to March 31
First quarterly results	Second week of August ,2010
Second quarterly / Half yearly results	Second week of November,2010
Third quarterly results	Second week of February, 2011
Annual results for the year ending on 31/03/2011	Second week of May,2011
Annual General Meeting	Last week of September,2011

Management Discussion and Analysis is a part of the Directors' report.

c. Book closure

Thursday, 23rd September 2010 to Friday, 24th September 2010 (both days inclusive) for Annual General Meeting.

d. Dividend Payment Date : N.A.

e. Listing of shares & Listing fee

The shares of the Company are listed on National Stock Exchange of India Ltd. and The Bombay Stock Exchange Ltd., Mumbai.

Name of the Stock Exchange	Stock Code
The National Stock Exchange of India Limited	ENTEGRA
Bombay Stock Exchange Limited	532287

The Company has paid listing fee upto 31st March, 2011 to the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE) where Company's shares are listed.

f. Market Price Data:

Market Price Data: High, Low during each month in last Financial Year is as under:

Month / Year	Bombay Stock Exchange, Mumbai		The National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-09	21.9	10	22.1	10.05
May-09	20.6	14.6	20.5	14.6
Jun-09	27.75	19.7	28	19.05
Jul-09	29.95	19	30.4	18.15
Aug-09	44.6	25.7	45.85	26.1
Sep-09	47.85	35.6	47.9	35.85
Oct-09	42.15	30.25	42.4	30.8
Nov-09	38.95	28.05	39.55	27.8
Dec-09	41.95	35	41.65	35.05
Jan-10	49	35	50	35.45
Feb-10	43.9	35	44.2	35.1
Mar-10	40.65	32.8	41.5	33

There were no outstanding GDRs/ADRs. However, pursuant to the Scheme of Merger of SKG Power Ventures Private Limited with Entegra Limited as approved by the Bombay High Court vide Order dated September 25, 2009, the Company has allotted 50,00,000 Equity shares & 13,56,70,000 Compulsory Convertible Preference Shares (CCPS) to MW Infra Developers Pvt. Ltd. (formerly known as S. Kumars Power Gen & Development Co. Pvt. Ltd.) as per the entitlement. The CCPS shall be converted into Equity shares in one or more tranches within a period of five (5) years from the date of allotment in such manner that the requirements of clause 40A of the Listing Agreement shall be met at all times

g. REGISTRAR & TRANSFER AGENTS: -

The registrar and transfer agents of the Company are: -

M/s Bigshare Services Private Limited
E - 2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai 400 072
Telephone nos.: - 022 - 28470652
Fax no: - 022 - 28475207
Email: info@bigshareonline.com
Website : www.bigshareonline.com

h. SHARE TRANSFER SYSTEM:-

Application for transfer of share, accepted/sent to the Registered Office of the Company are forwarded to the Company's registrar & transfer agents viz. M/s Bigshare Services Private Limited. All the valid transfers are processed and given effect to within 15 to 20 days of the date of the receipt of the documents, provided the documents are in order. The shareholders are given an option to convert the shares into dematerialised form under simultaneous transfer-cum-demat facility and letters to that effect are sent to all the transferees. On the basis of the reply received from the shareholders, share certificates are sent or the shares dematerialised. The entire process is completed within 30 days of the receipt of the application. The Share Transfer Committee considers the transfer proposals generally on a Fortnightly basis

i. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2010

Range	No. of shareholders	% of Shareholders	Total Holding	% of Total Capital
1 - 5000	18813	85.44	34265320	3.21
5001 - 10000	1701	7.72	13871250	1.3
10001 - 20000	708	3.22	11091510	1.04
20001 - 30000	231	1.05	5956090	0.56
30001 - 40000	115	0.52	4112880	0.38
40001 - 50000	122	0.55	5753440	0.54
50001 - 100000	162	0.74	12332070	1.15
100001- 99999999	168	0.76	981208150	91.82
Total	22020	100	1068590710	100

j. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2010

Category	No. of shares held	% Holding
Promoters	79485354	74.08
Banks, Financial Institutions, Insurance Companies	5779	0.01
Private Corporate Bodies	16089093	15.06
Indian Public	11115062	10.40
NRI's / OCBs	163783	0.15
Total	106859071	100.00

k. DEMATERIALISATION OF SHARES:

The trading in equity shares of the Company is permitted only in dematerialised form. The Company offers transfer-cum-demat facility to those who have sent the share certificates for transfer. A total of 90.12% shares are held in dematerialised form with NSDL and CDSL as on 31st March, 2010.

l. ADDRESS FOR CORRESPONDENCE:
CORPORATE OFFICE

4th Floor,
Harchandrai House
Maharshi Karve Road,
Marine Lines (East),
Mumbai 400 002
Tel No .: 022 6604 4242
Fax No.: 022 6655 0320

Exclusive e-mail id for Investor Grievances :

Pursuant to clause 47(f) of the listing Agreement, the following e-mail id has been designated for communicating investors' grievances: investor@entegra.co.in

10] SUBSIDIARY COMPANIES

Name of the Subsidiary	Date of Incorporation	Date on which the Company became Subsidiary Company
Ennertech Biofuels Limited	12 th July 1996	17 th April 2007
Shree Maheshwar Hydel Power Corporation Limited	11 th May 1993	Appointed date of the Merger scheme i.e. 1 st April 2008
Nevaa Solar Power Company Private Limited	10 th November 2009	10 th November 2009

11] GROUP COMPANIES:

The following persons and bodies corporate constitute the Group coming within the definition of 'group' as defined in the Monopolies and Restrictive trade Practices Act, 1969 (54 of 1969), which exercises, or is established to be in a position to exercise control directly or indirectly, over by the Company / Management of the Company:

INDIVIDUALS:

1. Shri Mukul S. Kasliwal & Family
2. Shri Warij A. Kasliwal & Family

BODIES CORPORATE

1. MW Corp Private Limited
2. Raj Infin Private Limited.
3. Girija Holdings Private Limited
4. MW Infra Developers Private Limited.
5. Unitex Designs Limited
6. S. Kumars Limited
7. Progard Textiles (India) Private Limited
8. Klopman India Private Limited
9. SKM Fabrics (Amana) Limited
10. Manmade Fabrics Sales Service Private Limited
11. Nevaa Solar Power Company Private Limited
12. Shree Maheshwar Hydel Power Corporation Limited.

13. Hindon River Mills Limited
14. S. Kumars Life Assurance Corporation Limited.
15. Dasna Developers Private Limited.
16. Ennertech Biofuels Limited.
17. S. Kumars (Investments) Limited (U.K.)
18. S. Kumars Retailer Services Private Limited
19. MW Unitexx S.A.
20. Textile S.a.r.l.
21. Klopman International S.r.l.
22. Intex S.A.
23. Klopman AG
24. Klopman GmbH
25. Klopman Espana S.A.

Any body corporate and / or entity formed / promoted by any of the above.
“Family” for this purpose includes spouse, children and parent.

The above disclosure has been made, interalia, for the purpose of Regulation 3 (1) (e) of the Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

12] COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Joint Auditors of the Company, M/s. Malpani & Associates, Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is forming part of Annual Report.

13] CODE OF CONDUCT

The Company adopts formal code of conduct. The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. A copy of the code can be viewed on the web-site www.entegra.co.in of the Company.

14] SECRETARIAL AUDIT REPORT

The Company has appointed M/s. Pramod S Shah & Associates, Practising Company Secretary, to conduct Secretarial Audit of the Company. The Audit is carried out every quarter and the report thereon is placed before the Board of Directors & thereafter it is submitted to Stock Exchanges.

15] CFO/CEO Certification

The CFO/CEO of the Company give certification on financial reporting and internal control of the Company to the Board in terms of clause 49 and form part of the Annual Report.

Place : Mumbai
Date : August 23, 2010

For and on behalf of the Board,
Sd/-
Mukul S. Kasliwal
Chairman

MANAGING DIRECTOR'S CERTIFICATE

To,

**The Board of Directors
Entegra Limited**

I, Mr. V. K. Jain, Managing Director do hereby certify to the Board that:

I have received the Balance Sheet and the Profit and Loss Account (Consolidated and Standalone), and all the Schedule and Notes to the accounts, as well as the Cash Flow Statements, for the year ended 31st March, 2010 and that to the best of my knowledge and belief:-

- a) i. these statements do contain any material untrue statement or omit any material fact or contain statements that might be misleading.
- ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have
 - i. Designed and ensured that such disclosure controls and procedures to ensure that material information relating to the company including its consolidated subsidiaries, is made to know to us, particularly during the period in which the report is being prepared; and
 - ii. evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and Audit Committee:-
 - i. there has been no Significant changes in internal control over financial reporting during the year,
 - ii. there has been no Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. there has been no commitment of any fraud, whether or not significant that involves management or other employees who have significant role in the Company's internal controls.

For ENTEGRA LIMITED

Place : Mumbai
Date : August 23, 2010

**Sd/-
V. K. Jain
Managing Director**

AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

**The Members of
Entegra Limited**

We have examined the compliance of conditions of Corporate Governance by Entegra Limited (the Company) for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange(s).

The compliance with the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company of ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Malpani & Associates**
Chartered Accountants
Firm Registration No: 120438W

Sd/-
Shyam Malpani
Proprietor
Membership No: F-34171

Place : Mumbai
Date : 23 August 2010

D E C L A R A T I O N

As per the provisions of Clause 49 of the listing Agreement with the Stock Exchanges, the Board Members and Senior Management Personnel have confirmed the compliance with the code of conduct and ethics for the period ended 31st March, 2010.

For **ENTEGRA LIMITED**

Sd/-
V. K. Jain
Managing Director

Place: Mumbai
Date: August 23, 2010

Auditors' Report

To,
The Members of Entegra Limited

1. We have audited the attached Balance Sheet of Entegra Limited, (the 'Company') as at 31 March 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). 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 the 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 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, 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 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 financial statements dealt with by this report are in agreement with the books of account;
 - d. On the basis of written representations received from the directors, as on 31 March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2010 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Act;
 - e. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act and the Rules framed there under and 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, in the case of:
 - i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;
 - ii) the Profit and Loss Account, of the loss for the year ended on that date; and
 - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No: 001076N

Sd/-
per **Khushroo B. Panthaky**
Partner
Membership No: F-42423

Place: Mumbai
Date: 23 August 2010

For **Malpani & Associates**
Chartered Accountants
Firm Registration No: 120438W

Sd/-
Shyam Malpani
Proprietor
Membership No: F-34171

Place: Mumbai
Date: 23 August 2010

Annexure to the Auditors' Report of even date to the members of Entegra Limited, on the financial statements for the year ended 31 March 2010.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report as under:

- (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 during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
(c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii) (b) to (c) of the Order are not applicable.
(d) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system 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.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
(b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices/rate at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) The maintenance of cost records pursuant to the Rules made by the Central Government under section 209 (1)(d) of the Companies Act, 1956 has been prescribed in respect of the class of the Company (Electricity industry). However, the Company is exempt from the maintenance of such records as the aggregate value of the machinery and plant installed as on the last date of the preceding financial year does not exceed the limits as specified for a small scale undertaking under the provisions of the Industries (Development and Regulation) Act 1951 (65 of 91) i.e. Rs 10 million.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. No undisputed amounts payable in respect thereof were outstanding as at the year end for a period of more than six months from the date they became payable.

- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute. The Company has deposited under protest the entire amount of income tax for AY 2001-02, which is under dispute, together with the related interest thereon.
- (x) In our opinion, the Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. Further, the Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) The Company had originally accepted a One Time Settlement (OTS) from Madhya Pradesh State Industrial Development Corporation ('MPSIDC'), which was communicated vide letter dated 3 July 2004 for settlement of outstanding dues in respect of a loan taken from MPSIDC. The amount has not been settled and as explained in Note 5.4 of Schedule - 17 to the financial statements for the year ended 31 March 2010, the Company is in the process of obtaining an approval for settlement under May, 2007 Scheme. The Company has recognized an aggregate liability in the books as at 31 March 2010 of Rs 5,527.53 Lakhs.
- (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. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) In our opinion, no fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No: 001076N

Sd/-
per **Khushroo B. Panthaky**
Partner
Membership No: F-42423

Place: Mumbai
Date: 23 August 2010

For **Malpani & Associates**
Chartered Accountants
Firm Registration No: 120438W

Sd/-
Shyam Malpani
Proprietor
Membership No: F-34171

Place: Mumbai
Date: 23 August 2010

BALANCE SHEET AS AT 31 MARCH 2010

(Amount in Rs.)

Particulars	Schedule	As at 31 March 2010	As at 31 March 2009
SOURCES OF FUNDS			
Shareholders' funds:			
Share capital	1	2,425,290,710	1,018,590,710
Merger consideration pending allotment of shares		-	2,554,013,060
Reserves and surplus	2	1,873,634,251	887,108,801
		4,298,924,961	4,459,712,571
Loan funds:			
Secured loans	3	4,709,284,367	50,857,088
Unsecured loans	4	562,753,000	562,753,000
		5,272,037,367	613,610,088
Deferred tax liabilities, net		-	322,423
Total		9,570,962,328	5,073,645,082
APPLICATION OF FUNDS			
Fixed assets:			
Gross block	5	5,215,142	4,808,829
Less: Depreciation and amortisation		1,763,801	1,315,977
Net block		3,451,341	3,492,852
Capital work in progress		897,983	-
		4,349,324	3,492,852
Pre Operative Expenses (Pending allocation)	6	20,628,518	1,271,230
Investments	7	8,663,407,837	4,600,828,500
Current Assets, Loans and Advances:			
Inventories	8	982,244	235,114
Sundry debtors	9	72,918,803	874,649,151
Cash and bank balances	10	48,384,820	34,314,151
Loans and advances	11	829,812,327	455,858,031
		952,098,194	1,365,056,447
Less: Current liabilities and provisions:			
Current liabilities	12	218,658,465	895,852,200
Provisions	13	1,584,517	1,151,747
		220,242,982	897,003,947
Net Current Assets		731,855,212	468,052,500
Profit and Loss Account		150,721,437	-
Total		9,570,962,328	5,073,645,082

Significant Accounting Policies and Notes to the Financial Statements

Schedules referred to above form an integral part of the financial statements

As per our attached Report of even date

For **Walker, Chandio & Co**
Chartered Accountants

For **Malpani & Associates**
Chartered Accountants

Sd/-
Khushroo B. Panthaky
Partner

Sd/-
Shyam Malpani
Proprietor

Mumbai
Dated: 23 August 2010

Mumbai
Dated: 23 August 2010

17

For and on behalf of the Board

Sd/-
Mukul S. Kasliwal
Chairman

Sd/-
V.K. Jain
Managing Director

Sd/-
Rekha Jagdale
President &
Company Secretary

Sd/-
D. M. Gupta
Senior Vice President
(Accounts & Finance)

Dated: 23 August 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Amount in Rs.)

Particulars	Schedule	Year ended 31 March 2010	Year ended 31 March 2009
INCOME			
Income from operations		16,328,937	908,088,205
Other income	14	17,213,070	151,160,356
Increase in inventories		747,131	235,114
Total		34,289,138	1,059,483,675
EXPENDITURE			
Purchases		11,436,031	891,925,124
Direct expenses		716,579	-
Operative expenses	15	57,793,705	35,255,669
Interest and other finance charges	16	235,938,736	39,904,134
Depreciation		465,482	451,125
Miscellaneous expenditure written off		-	1,887,013
Provision for doubtful advances		5,232,713	-
Sundry balances written off		13,740,119	72,286
Pre operative expenses no longer required		-	73,628,598
Prior period adjustments		357,841	4,207,614
Total		325,681,206	1,047,331,563
Profit before tax		(291,392,068)	12,152,112
Less: Provision for taxation			
Current tax		-	1,500,000
Deferred tax		(322,423)	40,071
Fringe benefit tax		-	519,000
Profit after tax		(291,069,645)	10,093,041
Balance brought forward		140,348,208	130,255,167
Balance carried to Balance Sheet		(150,721,437)	140,348,208
Basic Earnings per share		(2.72)	0.13
Diluted earnings per share		(2.72)	0.05

Significant Accounting Policies and Notes to the Financial Statements

Schedules referred to above form an integral part of the financial statements

As per our attached Report of even date

For **Walker, Chandiok & Co**
Chartered Accountants

For **Malpani & Associates**
Chartered Accountants

Sd/-
Khushroo B. Panthaky
Partner

Sd/-
Shyam Malpani
Proprietor

Mumbai
Dated: 23 August 2010

Mumbai
Dated: 23 August 2010

17

For and on behalf of the Board

Sd/-
Mukul S.Kasliwal
Chairman

Sd/-
V.K.Jain
Managing Director

Sd/-
Rekha Jagdale
President &
Company Secretary

Sd/-
D. M. Gupta
Senior Vice President
(Accounts & Finance)

Dated: 23 August 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Amount in Rs.)

	For the year ended 31 March 2010	For the year ended 31 March 2009
Net profit before tax and extraordinary items	(291,392,068)	12,152,112
<u>Adjustments for:</u>		
Depreciation	465,482	451,125
Deferred revenue expenses written off	-	1,446,419
Share issue expenses written off	-	2,563,200
Interest and financial charges	235,938,736	18,408,986
Interest income	(4,437,161)	(2,638,437)
Provision for doubtful advances	5,232,713	-
Provision for leave travel allowance	646,040	-
Sundry balances written off	13,740,119	-
Foreign exchange fluctuation	(7,922)	-
Provision for leave encashment and gratuity	432,769	-
Sundry balances written back	(12,390,436)	-
Miscellaneous income	(18,135)	-
Write back of interest on loan (MPSIDC)	-	(147,819,320)
Operating profit before working capital changes	(51,789,862)	(115,435,915)
Adjustments for working capital changes :		
(Increase)/decrease in Inventory	(747,130)	(235,114)
Trade and other receivables	787,350,089	(116,618,965)
Trade payables	(667,556,018)	(76,305,261)
Cash generated from operations	67,257,079	(308,595,255)
Taxes Paid (net of interest on income tax refunds)	(129,000)	(13,263,602)
Net cash flow from/(used) in operating activities	67,128,079	(321,858,857)
Cashflow from investing activities		
Share application money paid	(559,028,255)	-
Purchase of fixed assets	(426,182)	43,952
(Increase)/decrease in Pre-operative expenses	(19,357,288)	-
(Increase)/decrease in CWIP	(897,983)	-
Sale of fixed assets	7,500	-
Pre - operative expenses/deferred revenue expenses	-	77,722,455
Investment purchased	(4,077,001,940)	3,000
Net cash flow in investing activities	(4,656,704,148)	77,769,407
Cashflow from financing activity		
Loans and advances received back/(given)	199,625,561	(16,520,912)
Share issue expenses	(20,439,402)	-
Proceeds from issue of Share capital	-	66,685,891
Security premium	-	97,914,632
Interest and finance charges paid	(233,966,700)	(18,408,986)
Interest Income	-	2,638,437
Proceeds from loans	6,708,488,915	23,508,124
Payment of loans	(2,050,061,636)	-
Net cashflow from financing activities	4,603,646,738	155,817,186
Net decrease in cash & cash equivalents	14,070,669	(88,272,264)
Cash and cash equivalents - Opening balance	34,314,151	122,522,151
Cash acquired on merger	-	64,264
Cash and cash equivalents - Closing balance	48,384,820	34,314,151

As per our attached Report of even date

For and on behalf of the Board

For **Walker, Chandiok & Co**
Chartered Accountants

For **Malpani & Associates**
Chartered Accountants

Sd/-
Mukul S.Kasliwal
Chairman

Sd/-
V.K.Jain
Managing Director

Sd/-
Khushroo B. Panthaky
Partner

Sd/-
Shyam Malpani
Proprietor

Sd/-
Rekha Jagdale
President &
Company Secretary

Sd/-
D. M. Gupta
Senior Vice President
(Accounts & Finance)

Mumbai
Dated: 23 August 2010

Mumbai
Dated: 23 August 2010

Dated: 23 August 2010

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31 MARCH 2010

(Amount in Rs.)

	As at 31 March 2010	As at 31 March 2009
SCHEDULE - 1 SHARE CAPITAL		
Authorised:		
Equity share capital		
464,510,000 (P.Y. 110,000,000) Equity shares of Rs. 10 each	4,645,100,000	1,100,000,000
Preference Share Capital		
536,000,000 (P.Y. Nil) Preference shares of Rs. 10 each	5,360,000,000	-
	10,005,100,000	1,100,000,000
Issued, subscribed and paid up		
106,859,071 (P.Y. 101,859,071) Equity shares of Rs. 10 each fully paid up	1,068,590,710	1,018,590,710
[Of the above: 69,478,601 (P.Y. 64,478,601) shares of Rs. 10 each, fully paid up are held by MW Infra Developers Private Limited, the holding company, 1,848,905 (P.Y. 1,801,338) shares of Rs. 10 each, fully paid up are held by MW Corp Private Limited, the ultimate holding company and; 5,000,000 shares of Rs. 10 each, fully paid up, were allotted to shareholders of SKG Power Ventures Private Limited in pursuance of, The Scheme of Merger, for consideration other than cash, as merger consideration (Refer Note 5.1 of Schedule 17)]		
135,670,000 (P.Y.-Nil) Compulsory Convertible Preference Share of Rs.10 each, fully paid up [Allotted to shareholders of SKG Power Ventures Private Limited in pursuance of, The Scheme of Merger, for consideration other than cash, as merger consideration (Refer Note 5.1 of Schedule 17). These shares are compulsorily convertible into equity shares in the ratio of 1:1, within a period of five years from date of allotment.]	1,356,700,000	-
	2,425,290,710	1,018,590,710
SCHEDULE - 2 RESERVES AND SURPLUS		
a. Reserves		
Securities premium account		
Opening balance	746,760,593	-
Add : Premium on issue of rights share	-	762,884,895
Add : Premium on issue of Preference Shares [Refer Note 5.1 of Schedule 17]	1,106,532,756	-
Add : Premium on issue of Equity Shares [Refer Note 5.1 of Schedule 17]	40,780,304	-
	1,894,073,653	762,884,895
Less : Rights issue expense written off	-	16,124,302
Less : Share issue expenses written off [Refer Note 5.2 of Schedule 17]	20,439,402	-
Closing balance	1,873,634,251	746,760,593
b. Surplus		
Profit and Loss Account	-	140,348,208
	1,873,634,251	887,108,801
SCHEDULE - 3 SECURED LOANS		
From banks:		
Vehicle loans [Repayable within one year Rs. 347,794 (P.Y. Rs. 382,575)]	795,452	1,178,126
Long term loans [Repayable within one year Rs. Nil]	2,660,000,000	-
Short term loans [Repayable within one year Rs. 2,048,488,915 (P.Y. Rs. Nil)]	2,048,488,915	-
Cash credit facility	-	49,678,962
[Refer Note 5.3 of schedule 17 for security given on above loans]		
	4,709,284,367	50,857,088
SCHEDULE - 4 UNSECURED LOANS		
Corporate deposits from State Financial Institution:	552,753,000	552,753,000
(i) Madhya Pradesh State Industrial Development Corporation Limited*		
[Partly secured by pledge of 85.00 lakhs Equity shares of Rs. 10/- each of Entegra Limited and 15.00 Lakhs Equity Shares of Rs. 10/- each of Unitex Designs Limited held by an associate company] [Refer Note 5.4 of Schedule 17]		
*including funded interest Rs. 2,937.29 lakhs (P.Y. Rs. 2,937.29 lakhs)	10,000,000	10,000,000
(ii) Payable to bodies corporate	562,753,000	562,753,000



SCHEDULE FORMING PART OF ACCOUNTS AS AT 31 MARCH 2010

SCHEDULE - 5 FIXED ASSETS

(Amount in Rs.)

	GROSS BLOCK				DEPRECIATION			NET BLOCK		
Name of the asset	As at 1 April 2009	Additions during the year	Deductions/ adjustments	As at 31 March 2010	As at 1 April 2009	For the year	On deduction/ adjustments	Up to 31 March 2010	As at 31 March 2010	As at 31 March 2009
Leasehold Land	-	232,000	-	232,000	-	-	-	-	232,000	-
Computers	715,912	64,000	-	779,912	348,281	100,808	-	449,089	330,823	367,631
Furniture & fixtures	127,496	40,636	16,875	151,257	14,026	21,263	14,664	20,625	130,632	113,470
Office equipment	806,295	89,546	2,994	892,847	147,004	43,291	2,994	187,301	705,546	659,291
Vehicles	3,159,126	-	-	3,159,126	806,666	300,120	-	1,106,786	2,052,340	2,352,460
Total	4,808,829	426,182	19,869	5,215,142	1,315,977	465,482	17,658	1,763,801	3,451,341	3,492,852
Previous Year	4,870,490	76,733	138,394	4,808,829	882,561	451,125	17,709	1,315,977	3,492,852	-

Capital Work in Progress	As at 31 st March 2010
Plant and Machinery	897,983
Total	897,983

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31 MARCH 2010

	As at 31st March 2010	As at 31st March 2009
SCHEDULE - 6		
PRE OPERATIVE EXPENSES (PENDING ALLOCATION)		
[Refer Note 5.5 of Schedule 17]		
Opening balance (included under respective heads in current year)	1,271,230	73,628,598
Add : Incurred during the Year		
Salary and other benefits	2,159,236	324,454
Conveyance	471,753	90,945
Filing fees	1,859,860	67,590
Legal and professional expenses	5,813,723	46,514
Motor car expenses (including fuel expenses)	255,331	46,877
Rent including lease rent	112,500	60,000
Prior period expenses	250,000	-
Telephone and mobile charges	260,686	113,154
Postage and courier expenses	2,487	-
Printing and stationery expenses	39,026	-
Tour and traveling expenses	6,028,866	313,088
Bank charges	11,747	64,094
Advertisement	511,356	-
Electricity	-	2,692
Hotel, boarding and lodging	1,192,790	41,568
Business promotion expenses	3,372	6,085
Repairs and maintenance expenses	400	-
Donation	-	49,500
Conference fees	132,470	-
Project expenses	-	5,680
Credit card expenses	65,264	-
Entertainment	21,078	2,750
Exhibition expenses	592	908
Insurance expenses	-	22,468
Internet expenses	26,708	-
Staff welfare expenses	16,055	12,863
Computer expenses	2,750	-
Franking and notary expenses	29,620	-
Gifts	20,000	-
Labour charges	400	-
Sundry expenses	18,218	-
Tender fees	1,000	-
Membership and subscription expenses	50,000	-
Less : Transferred to Profit and Loss Account, as no longer required	-	(73,628,598)
	20,628,518	1,271,230
SCHEDULE -7 INVESTMENTS		
Trade Investments		
Quoted		
Investment in Optional Fully Convertible Debentures (OFCDs) in Subsidiary company		
1,350 9.75% OFCDs (P.Y. Nil) of Rs.10 lakhs each fully paid of Shree Maheshwar Hydel Power Corporation Limited	1,901,446,061	-
825 10.75% OFCDs (P.Y. Nil) of Rs.10 lakhs each fully paid of Shree Maheshwar Hydel Power Corporation Limited	1,161,033,276	-
	3,062,479,337	-
Unquoted		
Investment in subsidiaries		
Ennertech Biofuels Limited	500,000	500,000
50,000 equity shares (P.Y. 50,000) of Rs. 10 each full paid up		
Nevaa Solar Power Company Private Limited [Refer Note 5.6 of Schedule 17]	100,000	-
10,000 equity shares (P.Y. Nil) of Rs.10 each fully paid up		
Shree Maheshwar Hydel Power Corporation Limited [Refer Note 5.6 of Schedule 17]	5,600,200,000	4,600,200,000
236,441,400 equity shares (P.Y.136,441,300) of Rs 10 each fully paid		
[of the above shares,136,441,330 have been pledged with the lenders of the Shree Maheshwar Hydel Power Corporation Limited]	5,600,800,000	4,600,700,000

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31 MARCH 2010

	As at 31 March 2010	As at 31 March 2009
Non - Trade Investments		
Unquoted		
Investment in Government Securities	65,000	65,000
9 (P.Y. 9) National Saving Certificates, VIII Issue		
Investment in equity shares		
Janakalyan Sahakari Bank Limited	63,500	63,500
6,350 equity shares (P.Y. 6,350) of Rs. 10 each fully paid up		
	8,663,407,837	4,600,828,500
SCHEDULE - 8 INVENTORIES		
Closing Stock of :		
- components used for renewable energy projects	757,001	235,114
- civil construction material	225,243	-
	982,244	235,114
SCHEDULE - 9 SUNDRY DEBTORS		
(Unsecured, considered good except otherwise stated)		
Due for period exceeding six months*	68,195,531	760,459,431
Others	4,723,272	114,189,720
	72,918,803	874,649,151
*of the above Rs.63,601,731 (P.Y.Rs.63,601,731) recoverable from Hindon River Mills Ltd. a party covered under section 370 (1B) of the Companies Act,1956 [Refer Note 5.9 of Schedule 17]		
SCHEDULE - 10 CASH AND BANK BALANCES		
Cash in hand	876,745	68,189
Foreign currency in hand	100,926	-
In current accounts with scheduled banks	19,862,149	6,600,962
In fixed deposit with scheduled banks	27,545,000	27,645,000
[In lien with Rajashtan Renewable Energy Corporation Ltd. Rs. 275 Lakhs]		
	48,384,820	34,314,151
SCHEDULE - 11 LOANS AND ADVANCES		
(Unsecured, considered good except otherwise stated)		
Advances recoverable in cash or kind or for value to be received		
- Considered good#	3,563,770	199,301,135
- Considered doubtful	9,489,880	4,257,167
Less : Provision	(9,489,880)	(4,257,167)
	3,563,770	199,301,135
Advance to suppliers and other advances	11,335,604	15,148,203
Advances to subsidiaries [Refer Note 5.9 of Schedule 17]	19,000	6,209,899
Share application money	559,028,255	-
Interest accrued on Investments	14,426,716	4,114
Advance tax (net of provisions)	39,784,162	32,518,608
Deposits	201,654,820	202,676,072
	829,812,327	455,858,031
# of the above Rs.855,802 (P.Y.Rs.1,362,819) recoverable from Hindon River Mills Ltd., Rs.39,881(P.Y.38,481) recoverable from Dasna Developers Pvt. Ltd., both parties covered under section 370 (1B) of the Companies Act, 1956 [Refer Note 5.9 of Schedule 17]. There were no amounts due from Directors or Other officers of the Company during the year.		

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31 MARCH 2010

	As at 31 March 2010	As at 31 March 2009
SCHEDULE - 12 CURRENT LIABILITIES		
Sundry creditors [Refer Note 5.12 of Schedule 17] [Other than those covered under Micro, Small and Medium Enterprises Development Act, 2006.]		
- For goods	338,754	429,337,443
- For expenses	9,288,244	8,213,933
Payable to a subsidiary company [Refer Note 5.9 of Schedule 17]	99,439,623	99,439,623
Payable to other bodies corporate of the same group [Refer Note 5.9 of Schedule 17]	97,513,878	248,999,377
Acceptances	-	99,287,040
Advance received from customers	1,131,081	1,626,276
Interest accrued but not due on loans	1,972,036	71,398
Other liabilities	8,974,849	8,877,110
	218,658,465	895,852,200
SCHEDULE - 13 PROVISIONS		
Gratuity	819,117	523,363
Leave encashment	765,399	628,384
	1,584,516	1,151,747
SCHEDULE - 14 OTHER INCOME		
Write back of interest on loan [Refer Note 5.4 of Schedule 17]	-	147,819,320
Interest received on bank FDR [TDS Rs.668,658 (P.Y. Rs.544,601)]	4,437,161	2,638,437
Credit balances written back	12,390,436	337,080
Miscellaneous receipts	385,473	365,519
	17,213,070	151,160,356
SCHEDULE - 15 OPERATIVE EXPENSES		
Advertisement	12,786,324	179,491
Auditors remuneration [Refer Note 5.14 of Schedule 17]	2,198,675	568,045
Business promotion expenses	847,159	230,853
Commission	274,450	114,565
Conveyance charges	1,839,982	2,563,182
Conference and seminar expenses	151,758	-
Electricity expenses	445,461	373,615
Exhibition expenses	388,569	371,098
Franking and notary expenses	749,550	80,720
Guest house expenses	2,067	191,188
Guarantee fees	1,539,726	-
Hotel boarding and lodging	1,529,762	623,242
Sales tax	119,424	909,809
Legal and professional charges	4,768,143	5,738,211
Listing fees and share transfer fees	431,620	367,043
Foreign exchange fluctuation	(7,922)	11,229
Motor car expenses	1,937,226	1,463,861
Office expenses	385,887	345,414
Other expenses	1,195,079	1,179,435
Printing and stationery expenses	806,629	478,741
Expenses on new venture	640,000	-
Postage and courier charges	652,786	288,558
Rent	4,561,106	5,015,858

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31 MARCH 2010

	Year Ended 31 March 2010	Year Ended 31 March 2009
Filing fees	37,180	6,000
Salaries, wages and bonus	12,130,556	7,887,065
Directors sitting fees	550,000	195,000
Directors remuneration [Refer Note 5.15 of Schedule 17]	3,244,500	3,244,500
Gratuity	295,754	40,905
Leave encashment	321,230	409,790
Staff welfare expenses	148,745	155,941
Sundry expenses	137,144	128,521
Telephone and mobile charges	481,411	620,948
Tour and travelling expenses	2,203,724	1,472,841
	57,793,705	35,255,669
SCHEDULE - 16 INTEREST AND OTHER FINANCE CHARGES		
Interest on secured loans	198,203,935	8,912,333
Interest unsecured loans	407,720	21,495,148
Interest on others	66,916	55,473
Upfront fees	36,483,200	-
Guarantee commission	579,075	1,461,675
Bank charges	197,890	7,979,505
	235,938,736	39,904,134

ENTEGRALIMITED
SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS**SCHEDULE 17****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS****1. Background information**

Entegra Limited (“Entegra” or the “Company”) was incorporated in 1995 as a private limited company. In 2000, the Company was converted into a public limited company. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Entegra is engaged in the development of integrated global renewable energy projects.

2. Basis of presentation

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the Accounting Standards notified in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable.

3. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual future period's results could differ from those estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

4. Significant accounting policies**4.1. Revenue recognition**

- i. Revenues from sales of goods are recognised on shipment or dispatch to customers and are recorded inclusive of Value Added Taxes but do not include any sales returns.
- ii. Revenues from services rendered are recognized on completion of the service and are recorded exclusive of Service Tax.
- iii. Interest income on deposits with banks and investments is recognised on a time proportion basis.
- iv. Dividend incomes on investments are accounted for when the right to receive the payment is established.

4.2. Purchases

Purchases are shown inclusive of Value Added Tax, wherever applicable.

4.3. Fixed assets and depreciation

Fixed assets are stated at cost of acquisition/construction including any cost attributable to bringing the assets to their working condition, less accumulated depreciation and impairment loss, if any.

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 and on pro-rata basis with reference to the month of additions / deductions. Fixed assets having value lower than Rs. 5,000 are depreciated fully in the year of acquisition / installation.

4.4. Expenditure during construction period

Expenditure during construction period reflects an element of capital work in progress and includes directly attributable costs that relate to the project and general and administration overheads as are specifically attributable the construction of the project. Such expenditure is included under 'Pre operative expenses (pending allocation)' and will be capitalized under relevant fixed asset accounts upon commencement of commercial generation of power.

4.5. Inventories

Inventories of components used for renewable energy projects have been valued at lower of cost or net realizable value. Civil construction materials are valued at cost.

4.6. Investments

Long term investments are stated at cost and provision is made to recognise any decline, other than temporary, in the value of such investments.

4.7. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions. Gains or losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency are recognised in the Profit and Loss Account.

4.8. Employee benefits

i) Defined benefit plan

Gratuity

Employees in India are entitled to benefits under the Payment of Gratuity Act, 1972, a defined benefit retirement plan covering eligible employees of the Company. The Plan provides a lump-sum payment to eligible employees at retirement or on termination of employment. The gratuity benefit conferred by the Company on its employees is equal to or greater than the statutory minimum.

The Company provides for liability towards gratuity plan on the basis of actuarial valuation. The entire amount of gratuity is unfunded.

Compensated absences

The Company's liability towards compensated absences (leave encashment) is determined on an actuarial basis for the entire unavailed vacation balance standing to the credit of each employee as at period-end.

4.9. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the income statement.

4.10. Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

After impairment depreciation is provided on the revised carrying amount of the asset over its remaining useful life. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

4.11. Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required, and a reliable estimate can be made of the amount required to settle the

obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4.12. Income taxes

Income tax expense comprises current income tax, deferred tax and fringe benefit tax.

Current taxes

Provision for current income-tax is recognised in accordance with the provisions of Indian Income Tax Act, 1961, and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the year that includes the enactment date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

4.13. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders, compulsorily convertible preference shares and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

5. Notes to the financial statements

5.1. Issue of Equity shares and Compulsorily Convertible Preference Shares pursuant to the merger of SKG Power Ventures Private Limited ('SKGPV') with the Company

Pursuant to the Scheme of Merger of SKG Power Ventures Private Limited ('SKGPV') with the Company, as approved by the shareholders in the Court-convened meeting held on 27 July 2009 and subsequently sanctioned by the Honourable High Court of Bombay on 25 September 2009, the assets and liabilities of SKGPV were transferred to and vested in the Company with effect from 1 April 2008, the appointed date of the merger. The scheme had accordingly been given effect to in the accounts for the year ended 31 March 2009. The amalgamation has been accounted for under the purchase method as prescribed by Accounting Standard 14 'Accounting for Amalgamations' (AS-14). Accordingly, the assets and liabilities of the SKGPV as at the aforementioned date have been taken over at their fair values and/or as specified in the scheme.

SKG Power Ventures Private Limited was carrying on the Hydel Power generation business through its majority owed subsidiary, Shree Maheshwar Hydel Power Corporation Limited ("SMHPCL"). SMHPCL has undertaken setting of a 400 MW Hydel Power plant at West Nimar in District Khargone of Madhya Pradesh state.

Pursuant to the Scheme, the shareholders of the erstwhile SKGPV were allotted 500 (Five Hundred) Equity Shares of the face value of Rs. 10 (Rupees Ten each) at par and 13,567 (Thirteen Thousand, Five Hundred and Sixty Seven) Compulsorily Convertible Preference Share(s) (CCPS) of the face value of Rs. 10 (Rupees Ten each) at par of the Transferee Company credited as fully paid-up, for every 1 (One) Equity Share of the face value of Rs. 10 (Rupees Ten each) held in the share capital of SKGPV. Such shares were pending allotment till the end of the previous year as at 31 March 2009 and the consideration was shown as 'Merger consideration pending allotment' in the Balance Sheet as at 31 March 2009.

The Company has allotted 5,000,000 equity shares and 135,670,000 CCPS on December 14, 2009. The difference between the fair value of assets and liabilities of SKGPV taken over and face value of equity and preference shares allotted amounting to Rs. 11,473.13 Lakhs has been credited to the Securities Premium Account.

- 5.2. In order to issue additional shares as required by the Scheme, the Company has increased its 'Authorized Share Capital' from Rs.11,000 Lakhs to Rs.100,051 Lakhs, comprising of Equity shares of Rs.46,451 Lakhs and Preference shares of Rs.53,600 Lakhs. The Company has incurred Rs. 204.39 Lakhs for this increase and for issue of the additional shares in the period ended 31 March 2010 which has been adjusted against the Securities Premium Account.

5.3. Secured loans Security given against loans

The summary below includes balances of loans/facilities obtained from scheduled banks;

	Particulars	Security given against the loan	As at 31 March 2010	As at 31 March 2009
(i)	Cash Credit facility from Yes Bank	Secured by exclusive charge over all the current assets of the Company, pledge of 40.63 Lakhs Equity Shares of the Company by an associate company and by a corporate guarantee of the said associate company in favour of the bank.	-	49,678,962
(ii)	Central Bank of India	Residual charge on the landed property together with structure thereon situated at Andheri (East), Mumbai belonging to S. Kumars Retailers Services Private Limited, first and exclusive charge on the Convertible Preference Shares collection account to be opened with Central Bank of India and personal guarantee of Individual promoters.	48,488,915	-
(iii)	State Bank of India	Second charge on the landed property (2,947 sq.mtrs) together with structure situated at Plot No.60, Andheri East, Mumbai, belonging to S.Kumars Retailer Services Pvt. Ltd. (a Group Company), personal guarantee of Individual promoters and Corporate guarantee of S. Kumars Retailer Services Pvt. Ltd.	2,000,000,000	-
(iv)	Yes Bank Limited	First Pari passu charge on the fixed assets and current assets of the 10 MW Concentrated Solar Thermal Power Project in Rajasthan and pledge of bonds of SMHPCL owned by the Company of face value of Rs. 217.50 crores.	2,660,000,000	-
(vi)	ICICI Bank Limited	Vehicle Loan secured against vehicles purchased there against.	7,95,452	1,178,126
			4,709,284,367	50,857,088

5.4 Update on matter related to settlement of liability with Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC)

The Company had originally accepted a One Time Settlement (OTS) from Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC), which has been communicated vide letter dated 3 July 2004. The Company had also made a payment of Rs. 2,209.76 Lakhs till 11 July 2006 towards such settlement. The outstanding liability towards MPSIDC, recognized in the Balance Sheet as on 31 March 2010, amounts to Rs. 5,527.53 Lakhs.

During the current year ended 31 March 2010, the Company has continued to negotiate with MPSIDC for consideration of the Company's request to reschedule the repayment of the aforesaid liability. Based on these negotiations, the Company is confident of obtaining a waiver of past interest and a rescheduling of repayment of the balance amount of interest and principal outstanding. The Company expects that on finalization of these negotiations, the Company would be required to repay outstanding principal amount of Rs. 5,527.53 Lakhs and on the basis of the expected outcome, had written back interest accrued of Rs. 1,478.19 Lakhs as at 31 March 2009 and recognized this amount as a gain during year ended 31 March 2009.

As per the discussion of the State Level Committee Meeting held on 1 October 2009, the Company has already submitted a proposal for reschedulement of OTS dues of Rs. 5,527.53 Lakhs and offered Redeemable Cumulative Preference Shares ('RCPS') of Shree Maheshwar Hydel Power Corporation Limited ('SMHPCL') proposing a return of 8% per annum for the settlement and given the above amount as Share Application Money on 27 January 2010 and 9 February 2010 to SMHPCL.

On 26 October 2009, MPSIDC, has communicated vide letter no. MPSIDC/ICD/ Recy/09/4487 to the Secretary, Energy Department, Government of Madhya Pradesh about the Company's proposal, asking for the Department's views confirming the availability of revenue to MPSIDC in lieu of its dues. Upon obtaining the Department's views, the State Level Committee constituted considered the Company's proposal for re-schedulement to be forwarded to the Madhya Pradesh Government.

In a recent development, the Company after obtaining a legal opinion from their solicitors, has filed an application with the Honourable Chief Minister of Madhya Pradesh vide a letter dated 2 March 2010, claiming relief under the May 2007 OTS scheme of MPSIDC, to which it becomes eligible. The claim, in the event of its acceptance, will result in the Company paying a lower rate of interest on the principal amount outstanding from the date of default. The application of a lower rate of interest as contemplated by the said scheme could potentially reduce the total liability in respect of such dues.

As on the date of the approval of these financial statements, a formal decision in respect of the Company's above proposal is yet to be taken by the Madhya Pradesh Government. While a formal decision is awaited, MPSIDC continues to send periodic demand notices for the full amount of principal and interest accrued thereon to the Company.

- 5.5.** Pre operative expenses (pending allocation) in the Balance Sheet of the Company represent directly attributable expenditure incurred by the Company in the current year for setting up of 10 MW Concentrated Solar Thermal Power Project (CSP) and 1 MW Solar Photo Voltaic (CSPV) in Rajasthan. Expenditure capitalized as pre operative expenses consists of expenditure directly attributable to the project and general and administrative costs as are specifically attributable to the construction of the project.

5.6. Investments made by the Company during the year

Set up of new subsidiary

The Company has set up in the current year, a fully owned subsidiary, Nevaa Solar Power Company Private Limited from 10 November 2009. The subsidiary has been set up by the Company for the purposes of its existing and any future planned solar power projects business.

Acquisition of equity shares and debentures in SMHPCL

In the current year, the Company has acquired further 100,000,000 shares of face value Rs 10 each of SMHPCL at par. As a result of the acquisition, Entegra Limited now holds 68.73 % of the paid up equity share capital of SMHPCL.

The Company has also acquired Optional Fully Convertible Debentures (OFCDs) of the total face value of Rs 21,750 Lakhs issued by SMHPCL from a Subscriber of the said debentures in the current year. As per agreement entered with Yes Bank Limited, the Company has paid Call premium on the option to purchase the said debentures. As on 31 March 2010, the Company has exercised this option and has purchased the OFCDs from the Subscriber at an agreed value. The summary of costs capitalized as cost of investment in the OFCDs is as under;

Particulars	Amount (in Rs. Lakhs)	Amount (in Rs. Lakhs)
Option Premium paid for right to purchase OFCDs (including opening balance of such premium paid in year ended March 31, 2009)		6,871.82
Purchase consideration for OFCDs (cum interest)	23,897.20	
Less: Interest accrued	(144.23)	23,752.97
Total cost of investment in OFCDs		30,624.79

The above investment was bought by the Company cum interest. Accordingly, the interest accrued on the said OFCDs has been excluded from the cost of investment.

5.7. In the opinion of the Board, the current assets and loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities (except wherever otherwise stated) are adequate and not in excess of the amount reasonably necessary. Keeping in view the fact that the investments are of the long-term nature, no diminution in the book value of the said investments is considered during the year.

5.8. Employee retirement and other benefits

A) Defined benefit plan

Gratuity, which is a defined benefit, is accrued based on actuarial valuation at the Balance sheet date, carried out by an independent actuary.

The following table sets forth the status of these plans of the Company and amounts recognised in Company's Balance Sheet as per AS 15 (revised). The gratuity plans are non-funded.

	(Amounts in Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Present value of the defined benefit obligation at the end of the year	819,117	523,363
Net liability	819,117	523,363

The amount recognised in the Profit and Loss Account is as follows in respect of the gratuity: (Amount in Rs.)

	Year ended 31 March 2010	Year ended 31 March 2009
Current service cost	238,418	352,779
Interest on defined benefit obligation	41,869	66,819
Net actuarial (gain)/loss on plan assets	15,467	(378,693)
Net gratuity cost	295,754	40,905

Reconciliation of present value of the obligation (Amount in Rs.)

	Year ended 31 March 2010	Year ended 31 March 2009
Opening defined benefit obligation	523,363	482,458
Interest cost	41,869	66,819
Current service cost	238,418	352,779
Actuarial (gain)/loss	15,467	(378,693)
Closing defined benefit obligation	819,117	523,363

Principal actuarial assumptions at the balance sheet date 31 March 2010 (Amount in Rs.)

	As at 31 March 2010	As at 31 March 2009
Discount rate	8.00%	8.00%
Salary escalation	5.00%	5.00%
Attrition rate	2.00%	2.00%

The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other related factors, such as supply and demand in the employment market.

B) Compensated absences

The Company has provided for leave encashment liability on actuarial valuation amounting to Rs.765,399 (Previous year Rs. 628,384) for the year ended 31 March 2010.

5.9. Sundry debtors, loans and advances and current liabilities include the following due from / payable to certain bodies corporate in which the directors of the Company are interested as members/directors:

(Rs. in Lakhs)

Name of the Body Corporate	Description	As at 31 March 2010	As at 31 March 2009
M W Corp Private Limited	Current liabilities	(46.93)	(42.51)
SKM Fabric s (Amana) Limited	Current liabilities	-	(274.63)
SMHPCL	Current liabilities	(994.40)	(994.40)
MW Infra developers P rivate Limited	Current liabilities	(928.20)	(2,170.72)
Hindon River Mills Limited	Sundry debtors and loans and advances towards advisory services	644.58	649.65
Nevaa Solar Power Company Private Limited	Loans and advances	0.19	-
Dasna Developers Pvt. Ltd.	Loans and advances	0.40	0.38
S Kumars Retailers Services Pvt. Ltd.	Loans and advances – Office deposit	2,000.00	2,000.00

Keeping in view the nature of transactions, current accounts with bodies corporate are not considered for the purpose of loans.

5.10. Earnings per share (EPS) is calculated as under:

	Year ended 31 March 20 10	Year ended 31 March 2009
Numerator (used for calculation of Basic EPS)		
Net profit/(loss) as per Profit and loss account	(291,069,645)	10,093,041
Denominator – Weighted average number of Equity Shares during the year – Basic	106,859,071	79,286,039
Denominator – Weighted average number of Equity Shares during the year – Diluted	106,859,071	219,956,039
Nominal value of shares (in Rs.)	10.00	10.00
Earning /(loss) per share (EPS) Basic	(2.72)	0.13
Earning /(loss) per share (EPS) Diluted	(2.72)	0.05

The weighted average number of shares for basic earnings per share has been adjusted to include 5,000,000 equity shares of Rs 10 each and the weighted average number of shares for diluted earnings per share has been adjusted to also include 135,670,000 compulsorily convertible preference shares of face value Rs. 10 each which form part of the merger consideration for acquisition of SKGPV. These shares have been included for calculation of the Basic and Diluted earnings per share from date of the merger. The preference shares are anti dilutive in the current year and therefore basic and diluted loss per share is the same.

5.11.a) No provision for Current tax for the year was considered in view of the losses incurred by the Company during the current financial year.

b) Deferred tax calculation is as follows:

(Amounts in Rs.)

Description	Year ended 31 March 2010	Year ended 31 March 2009
Opening balance in deferred tax liability	322,423	282,352
Add /(less):		
Deferred tax liability/(asset) for the year due to timing difference on account of fixed assets	(32,045)	40,071
Deferred tax liability/(asset) for the year due to timing difference on account of Leave Encashment	(254,246)	-
Deferred tax liability/(asset) for the year due to timing difference on account of Provision for doubtful advances	(3,152,301)	-
Deferred tax liability/(asset) for the year due to timing difference on account of Gratuity	(272,090)	-
Closing balance	(3,388,260)	322,423

- c) Tax rate considered for the above purposes is 33.2175% (P.Y. 33.99%).
- d) The net deferred tax assets have not been recognised in the financial statements of the Company in accordance with AS 22 Accounting for taxes on income.
- e) Considering the prudence aspect, no deferred tax asset has been recognized on brought forward business losses as per the Income Tax Act, 1961.

5.12. The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence the related disclosure regarding,

- a) Amount due and outstanding to suppliers as at the end of the accounting year;
- b) Interest paid during the year;
- c) Interest payable at the end of the accounting year; and
- d) Interest accrued and unpaid at the end of the accounting year, has not been provided. The same has been relied upon by the auditors.

5.13. Related party disclosures

(A) List of related parties

Ultimate parent company	MW Corp Private Limited
Parent company	MW Infra Developers Private Limited
Subsidiaries	Ennertech Biofuels Limited Nevaa Solar Power Company Private Limited Shree Maheshwar Hydel Power Corporation Limited (SMHPCL)
Fellow subsidiaries	S. Kumars Limited Unitex Designs Limited Dasna Developers Private Limited SKM Fabrics (Amana) Limited Hindon River Mills Limited
Enterprises where key management personnel have significant influence or control	Raj Infin Private Limited Girija Holding Private Limited
Key Management Personnel	Mukul S. Kasliwal– Chairman Warij A. Kasliwal– Vice Chairman V. K. Jain – Managing Director

(B) Related party transactions and balances:

(Amounts in Rs. Lakhs)

Nature of transaction	Holding Companies	Fellow Subsidiaries	Subsidiaries	Key Management personnel
Purchase of Equity shares	Nil (Nil)	Nil (Nil)	10,001.00 (Nil)	Nil (Nil)
Share application money given	Nil (Nil)	Nil (Nil)	5,590.28 (Nil)	Nil (Nil)
Guarantee Fees paid	Nil (Nil)	15.39 (Nil)	Nil (Nil)	Nil (Nil)
Remuneration given	Nil (Nil)	Nil (Nil)	Nil (Nil)	32.44 (32.44)
Professional fees paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	7.00 (Nil)

Nature of transaction	Holding Companies	Fellow Subsidiaries	Subsidiaries	Key Management personnel
Purchase of Right to acquire OFCD's	Nil (1,939.07)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Face value of Equity shares held in subsidiary	Nil (Nil)	Nil (Nil)	23,650 (13,649)	Nil (Nil)
Face value of Optionally Fully Convertible Debentures held in subsidiary	Nil (Nil)	Nil (Nil)	21,750.00 (Nil)	Nil (Nil)
Advances given	Nil (Nil)	200.01 (0.37)	0.19 (27.76)	Nil (Nil)
Advances received	Nil (1,565.00)	205.07 (205.84)	Nil (Nil)	Nil (Nil)
Current liabilities settled	3,900.63 (240.06)	589.98 (476.37)	Nil (Nil)	Nil (Nil)
Current liabilities incurred	2658.92 (2,340.18)	276.92 (1.77)	Nil (Nil)	Nil (Nil)
Closing balance (Dr.)	Nil (Nil)	2,644.98 (2,810.45)	0.19 (62.10)	Nil (Nil)
Closing balance (Cr.)	975.13 (2,213.23)	4.45 (274.63)	994.40 (994.40)	Nil (Nil)

Notes:

- Related party relationships have been identified by the management and relied upon by the auditors.
- Figures in brackets represent those of the previous year.

5.14. Payment to auditors (including Service Tax) comprises of the following:

(Amounts in Rs.)

Particulars	Year ended 31-Mar-10	Year ended 31-Mar-09
Statutory audit fees	1,433,900	220,600
Tax audit fees	220,600	27,575
Others	544,175	319,870
Total	2,198,675	5,68,045

5.15. Director's Remuneration

(Amounts in Rs.)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
Net profit after tax as per profit and loss account	(291,069,646)	10,093,042
Less: Interest write back of MPSIDC	-	147,819,320
Net loss as per section 349 of Companies Act, 1956	(291,069,646)	(137,726,278)

As the company is a loss making entity directors remuneration is computed using Schedule XIII of Companies Act, 1956. Payments made during the year to the Managing Director amounted to Rs. 32.44 lakhs (Previous Year Rs. 32.44 lakhs) which is within the limits specified by Schedule XIII of Companies Act, 1956.

5.16. Segment reporting

Primary segment Business

Business segments of the Company comprises of the following:

- Commodities : Trading in Iron ore and steel
- Renewable Energy : Engineering Procurement and Construction (EPC) contracts and other supplies and services to the Energy Sector

Secondary segment Geographical

The Company operates only in India, and is considered to be a single geographical segment.

(Amounts in Rs. Lakhs)

Particulars	Commodities		Renewable Energy		Total	
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
Segment revenue						
Sales to external customers	-	8,974.45	163.28	106.43	163.28	9,080.88
Inter segment revenue	-	-	-	-	-	-
Total segment revenue	-	8,974.45	163.28	106.43	163.28	9,080.88
Segment result	-	121.66	49.23	(54.16)	49.23	67.49
Unallocated corporate income					172.13	1,511.60
Prior period adjustments/ pre operative expenditure no longer required					3.58	778.36
Unallocated corporate expense					772.32	280.17
Interest and financial expense					2,359.39	399.04
Profit/(loss) before taxation					2,913.92	121.52
Income tax including fringe benefit tax					-	20.19
Deferred tax expense/(benefit)					(3.22)	0.40
Wealth tax					-	-
Profit/(loss) after tax					2,910.70	100.93

Figures representing segment-wise assets and liabilities have not been reported since they are totally attributable to 'Renewable Energy' segment.

5.17. Contingent liability

- Corporate guarantees given to the Banks/Financial Institutions against credit facilities extended to another company Rs. 4,100 Lakhs (Previous Year Rs. 4,100 Lakhs)
- Bank guarantees Rs.275.00 Lakhs (Previous year Rs.338.75 Lakhs).

- 5.18.** Loss of Rs. 2,913.92 Lakhs is largely on account of interest/financial charges of Rs.2,340.68 Lakhs paid to banks on the loans availed by the Company for investments in OFCDs and Equity Shares in SMHPCL. Based on the project review committee meeting of SMHPCL concluded on 29 July 2010, the 400 MW Hydro Power Project is expected to start generating power from November 2010.

5.19. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956, as applicable is given below:

a) Quantitative Details of Goods Supplied traded: **Iron Ore & Steel**

	Year ended 31 March 2010		Year ended 31 March 2009	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Opening stock	Nil	Nil	Nil	Nil
Purchase	Nil	Nil	255,260.90 MT	882,064,143
Sales	Nil	Nil	255,260.90 MT	897,444,885
Closing stock	Nil	Nil	Nil	Nil

b) Quantitative Details of Goods Supplied to Energy Sector: **Renewable Energy**

Particulars	Opening Stock		Purchases		Utilisation		Closing Stock	
	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
10 Kw Wind Solar Hybrid System	-	-	1 No's	4,335,040	1 No's	4,335,040	-	-
12kw Wind Solar Hybrid Sys	-	-	4 Set	8,107,000	4 Set	10,597,500	-	-
12V(1500TL) Battery	-	-	80 No's	556,089	80 No's	556,089	-	-
240volt 300AH AGM VRLA Sealed Batteries	-	-	4 No's	1,391,100	4 No's	1,150,000	-	-
3.3KW/120 Volt with Blades	-	-	2 No's	410,000	2 No's	410,000	-	-
Annemometer	-	-	4 No's	54,131	3 No's	45,006	1 No's	13,533
Blocks,Bricks,Sand & Cement	-	-	8804 Pnl	111,750	8804 Pnl	111,723	-	-
Blocks,Briks,Cement & Sand	-	-	7 No's	12,900	6 No's	11,057	1 No's	1,843
Copper Cable	-	-	4000 No's	256,000	4000 No's	256,000	-	-
Data Logger	-	-	2 No's	67,308	1 No's	33,654	1 No's	33,654
Doars, Windows, Roof Sheet & Tanks	-	-	1 No's	36,720	1 No's	36,720	-	-
G.P.Coils Sheets	-	-	24 kgs	960	24 kgs	960	-	-
Home Ups Sys Load:20 KVA	-	-	4 No's	561,600	4 No's	1,150,000	-	-
Home UPS Sys Load 10KVA	-	-	1 No's	83,200	1 No's	96,000	-	-
Inverver	1 No's	23,920	(1No's)	(23,000)	-	-	-	-
Lamp	-	-	70 No's	42,000	70 No's	42,000	-	-
Material for Lattice Tower	-	-	1 Set	177,263	1 Set	177,263	-	-
Metering Panel	-	-	1 No's	30,769	1 No's	30,769	-	-
Miscellaneous Materials	-	-	32 No's	156,130	32 No's	156,130	-	-
Miscellaneous Material-Shirur	-	-	106 No's	199,876	-	-	106 No's	199,876
M.S.Angle	-	-	635 kgs	22,255	30 kgs	1,052	605 kgs	21,204
M.S.Pipe	-	-	70 No's	13,300	70 No's	13,300	-	-
M.S.W.Rod-Shirur	-	-	3 No's	2,320	-	-	3 No's	2,320
Power Distribution Pannel	-	-	1 No's	17,307	1 No's	17,307	-	-
Renewable Energy & Devices	-	-	1439 No's	907,627	1439 No's	1,684,831	-	-
Solar Cabinet Dryer	-	-	1 No's	5,712	1 No's	5,712	-	-
Solar Cooker	-	-	10 No's	29,710	10 No's	29,710	-	-
Solar PV Charger Controller	-	-	2 No's	51,923	1 No's	26,923	1 No's	25,962
Solar PV Trainer Kit	-	-	3 No's	24,000	3 No's	24,000	-	-
Solar Radio	-	-	3 No's	3,060	3 No's	3,060	-	-
Solar Still	-	-	4 No's	22,440	4 No's	22,440	-	-
Solar TV	-	-	3 No's	79,560	3 No's	79,560	-	-
Solar Water Heater	-	-	4 No's	63,240	4 No's	63,240	-	-
Solar Water Pumping System	-	-	1 No's	47,940	1 No's	47,940	-	-
SPV Home Light Sys. (37wp)	2 No's	28,400	-	-	-	-	2 No's	28,400



Particulars	Opening Stock		Purchases		Utilisation		Closing Stock	
	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
SPV Home Light Sys.(74wp)	2 No's	57,000	-	-	1 No's	25,500	1 No's	28,500
SPV Lantern with Module	2 No's	7,600	11 No's	26,367	11 No's	26,367	2 No's	5,226
SPV Module 150 W	-	-	3600 No's	297,432	-	-	3600 No's	297,432
SPV Module 175 W	-	-	350 No's	27,846	2 No's	31,500	348 No's	27,687
SPV Module-5W/12V	-	-	15 No's	1,377	15 No's	1,377	-	-
SPV Module-75	-	-	1350 No's	107,406	1350 No's	107,406	-	-
SPV Modules 100W	-	-	41 No's	618,936	41 No's	618,936	-	-
SPV Modules 120k	-	-	36 No's	652,147	36 No's	717,120	-	-
SPV Solar Home Light System	-	-	8 No's	97,920	8 No's	97,920	-	-
SPV Solar Street Light System	-	-	21 No's	364,140	21 No's	364,140	-	-
SSU 10000VA-120V Pure Sinewave Ups Sys.	-	-	1 No's	59,615	1 No's	59,615	-	-
SSU-101 Solar Garden Light	1 No's	410	-	-	-	-	1 No's	410
SSU-10301 Solar Garden Light	1 No's	3,229	-	-	-	-	1 No's	3,229
SSU-10304 Solar Garden Light	1 No's	5,355	-	-	-	-	1 No's	5,355
Street Light Fixtures	-	-	70 No's	80,500	70 No's	80,500	-	-
Street Light Poles	-	-	70 No's	350,000	70 No's	350,000	-	-
Tower Tubular	-	-	40 No's	228,000	-	-	40 No's	228,000
UPS Sine Wave	-	-	1 No's	59,615	-	-	1 No's	59,615
Wind Charges for 3.2KW Wind Generater	-	-	2 No's	53,846	2 No's	53,846	-	-
Wind Electric Generator System	1 No's	109,200	(1 No's)	(105,000)	-	-	-	-

	Year ended 31-Mar-10	Year ended 31-Mar-09
c) Expenditure in foreign currency	Rs. 7,094,977	Rs. 34,335

5.20. Previous year's figures have been regrouped/ rearranged/ reclassified wherever considered necessary.

For and on behalf of the Board

Sd/-

Mukul S. Kasliwal
Chairman

Sd/-

V. K. Jain
Managing Director

Sd/-

Rekha Jagdale
President &
Company Secretary

Sd/-

D. M. Gupta
Sr. Vice President
(Accounts & Finance)

Place : Mumbai
Date : 23 August 2010

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956:

I	Registration Details	
	Registration No.	11-85471
	State Code	11
	Balance Sheet Date	31 st March, 2010
II	Capital Raised during the year	
	Public Issue	Nil
	Right Issue	Nil
	Bonus Issue	Nil
	Preferential Allotment	Nil
III	Position of Mobilisation and Development of Funds	
		Amount(Rs.in lakhs)
	Total Liabilities	95709.62
	Total Assets	95709.62
	(a) Sources of Funds	
	Paid up Capital	24252.91
	Reserves & Surplus	18736.34
	Secured Loans	47092.84
	Unsecured Loans	5627.53
	Deferred Tax Liability	-
	(b) Application of Funds	
	Fixed Assets	43.49
	Pre operative expenses (Pending allocation)	206.29
	Investments	86634.08
	Net Current Assets	7318.55
	Profit and Loss Account	1507.21
IV	Performance of Company	
	Turnover	342.89
	Total Expenditure	3256.81
	Profit/(loss) before Taxation	(2913.92)
	Profit after Taxation	(2910.70)
	Basic Earnings Per Share (Rs.)	(2.72)
	Diluted Earnings Per Share (Rs.)	(2.72)
	Dividend (%)	-

Generic Names of Principal product of the Company

Item Code No. (ITC Code)

Product Description

Not Applicable

Not Applicable

Statement of particulars regarding Company's interest in the subsidiary pursuant to Section 212 of the Companies Act, 1956.

1	Name of subsidiary as at 31.03.2010	Ennertech Biofuels Ltd.	Shree Maheshwar Hydel Power Corporation Ltd.	Nevaa Solar Power Company Pvt. Ltd.
2	The Company's interest in subsidiary			
(i)	No. of Shares held	50,000	236,441,400	10,000
(ii)	Face Value	Rs.10 per Share	Rs.10 per Share	Rs.10 per Share
(iii)	Extent of Holding	100.00%	68.73%	100.00%
3	Net aggregate amount, so far as it concerns members of the company and is not dealt with in the Company's accounts of the subsidiary's profits.			
(i)	For the year ended 31 st March, 2010	Rs.31,174	Nil	Rs.30,030
(ii)	For previous financial years of the subsidiary since it became a subsidiary.	Rs.61,26,213	Nil	Nil
4	Net aggregate amount of the profits so far as those profits are dealt with or provision is made for those losses in the company's accounts.			
(i)	For the year ended 31 st March, 2010	Nil	Nil	Nil
(ii)	For previous financial years of the subsidiary since it became a subsidiary.	Nil	Nil	Nil

For and on behalf of the Board

Sd/-

Mukul S. Kasliwal
Chairman

Sd/-

V. K. Jain
Managing Director

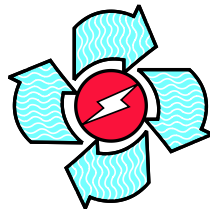
Sd/-

Rekha Jagdale
President &
Company Secretary

Sd/-

D. M. Gupta
Sr. Vice President
(Accounts & Finance)

Place : Mumbai
Date : 23 August 2010



SMHPCL

**SHREE MAHESHWAR HYDEL POWER
CORPORATION LIMITED
FINANCIAL STATEMENT**

BOARD OF DIRECTORS

Mr. P V Narasimham	Chairman
Mr. Mukul S Kasliwal	Vice-Chairman
Mr. M L Gupta	Managing Director
Mr. Ashok Gupta	Nominee Director- PFC (Ceased w.e.f. 14.12.2009)
Mr. A. Chakravarti	Nominee Director - PFC (Appointed on 14.12.2009)
Mr. S Bandopadhyay	Nominee Director- GoMP (Ceased w.e.f. 16.06.2010)
Mr. Mohd Suleman	Nominee Director - GoMP (Appointed on 16.06.2010)
Mr. Sanjiv Garg	Nominee Director- REC
Mr. Surendra Singhai	Nominee Director- HUDCO
Mr. Pawan Kumar	Nominee Director- IFCI
Mr. Gary Neville	Investor Director (Ceased w.e.f. 14.12.2009)
Mr. N P Jain	Director
Mr. Alok Sinha	Director (Appointed on 16.06.2010)

CFO & COMPANY SECRETARY **Mr. N. Ramakrishnan**

STATUTORY AUDITORS

Haribhakti & Co., Chartered Accountants
42, Free Press House
Free Press Journal Marg
215, Nariman Point, Mumbai 400 021

REGISTERED OFFICE

BG 23, Scheme No. 74, 'C' Sector
Vijynagar, Indore 452 010

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present herewith the Sixteenth Annual Report of the Company, alongwith the Audited Financial Statements as on March 31, 2010. The Company is at an advance stage of its Project Construction. Profit & Loss Account will be prepared on commencement of Commercial operations.

I. Project Components

The Company envisages a 3094 m long composite dam. Top of the dam is at EL.169 m and Spillway Crest Level at EL 146 m. Full reservoir level is at 163 m. Spillway shall have 27 Gates each of 20 m length and 19.4 m height. The surface Power House located at the toe of the Power Dam will accommodate 10 nos Kaplan type turbines of 40 MW each.

II. Review of Project Implementation

In the year under review, construction activities on the project gained further momentum and steady progress was made on various components of project, as under:

A. Civil Works

i) Power Dam

Excavation and concreting of all 10 Blocks has been completed.

ii) Spillway

Excavation work has been fully completed.

98.8% concreting of Spillway has been completed.

Work has been taken up in all 30 Blocks.

Work has been taken up from both left and right banks of the river.

Concreting of all 27 nos Ogee and Bucket completed and Apron for 26 blocks completed.

Piers up to bridge level completed for all 27 blocks.

Spillway bridge deck for 23 spans completed.

Construction of Spillway control room completed for 24 blocks.

iii) Power House

Excavation work has been completed for all 10 Units.

81.2% of concreting work has been completed.

Concreting of Draft Tube Slab completed for all 10 units.

Transformer Deck Slab at an El 163m completed for 5 units.

Overall on Civil work area 94.7% of concreting has been completed for the Project.

B. Electro-Mechanical Work

Electro-Mechanical work has been entrusted to BHEL.

3 nos EOT Cranes erected and commissioned and approach extended for 4 units.

Unloading Bay and Service Bay are completed in all respects and are being used.

Power House roof has been erected in unloading bay, service bay and 4 units.

Turbines

Turbines erection taken up in all 10 units.

Embedded pipes installed in all units.

DT knee liner installed in 9 units and DT cone in 4 units.

Stay ring erected in 3 units.

Runner envelope erected in 3 units.

Turbine pit liner installed in 3 units.

Assembly of Inner Top Cover, Shaft & Runner arrangement completed for lowering in turbine pit.

Generator

Assembly of generator rotor and stator for 1st unit is completed and Stator lowered in Unit 10.

220 KV Switchyard

Civil work for all 46 nos Tower foundation and 358 nos Equipment foundations completed. Erection for 46 nos Towers and 358 Equipment Structures completed.

Cable Trench civil work completed for all 845 m.

Switchyard Control Room slab completed.

Erection of Circuit Breaker and Insulators completed.

3 Nos. Power House EOT Cranes have been installed and commissioned.

C. Hydro-Mechanical works

Erection of 22 nos Radial Gate Assemblies completed.

Fabrication, Radiography and Ultrasonic test of skin plate assemblies for all 27 Gates completed.

Fabrication of Horizontal Girder Bracings for 26 Gates & Arm Girder Bracings for 27 Gates has been completed.

Fabrication & Erection of all 30 nos for Intake trash rack, Intake Stoplog & Intake Service Gate completed.

All 56 nos Hydraulic Cylinders for Radial Gate received at site and 30 nos erected.

All 32 nos Hydraulic Cylinders for Intake Service Gate received at site.

All 14 nos Power Pack with Control Panel for radial Gate received at Site.

15 nos of Radial gates have been opened for allowing flow of water above crest of dam in bays after diversion.

D. Rehabilitation & Resettlement

22 villages (13 coming under full submergence and 9 in partial submergence) are the affected ones and for which 18 new rehabilitation villages are being set up with all essential facilities. In addition, 872.950 Ha of private agricultural land (apart from Government Land) are coming under submergence which are required/ to be acquired from concerned landowners.

A. Rehabilitation

Abadi survey has been completed for 12 villages. Abadi Survey is not required for 3 villages. In the remaining villages which are under strong influence of NBA elements who put up strong resistance till recently, abadi survey work is now progressing. Section 4 Notification has now been issued in respect of all villages despite the delay that took place in respect of the 7 under the influence of NBA.

Section 6 Notification is completed for 12 villages and the remaining is in progress.

Family Survey that is undertaken by SDM/Rehabilitation Officer has been completed in respect of 13 villages and is in progress in respect of others.

As far as valuation of Properties is concerned, it has been completed in 11 villages.

B. New Rehabilitation Villages

Affected population of 22 villages is proposed to be rehabilitated in 18 Rehabilitation Sites. Due to the stiff resistance from NBA, site selection for 7 villages is progressing slowly. Of the remaining 11 where work has been taken up, 8 villages are complete. 3 more villages will be ready for occupation in June 2010.

C. Acquisition of Submergence Land

A total of 872.950 Ha of agricultural land is coming under submergence. Against this 582.822 Ha have been purchased on cash compensation terms. Offers for 201.120 Ha received from landowners for cash sale is under process. The balance land is under acquisition through the State Government under Land Acquisition Act in line with the order of MP High Court of 6.5.09 which stopped direct purchase of submergence land by the Company.

II. Financial Progress

The cost of the Project is envisaged at Rs 2760 crores with COD of Dec. 2010.

The Company is obliged to fund the cost through a Debt Equity Ratio of 70:30. The Company has fully tied up the debt component

of Rs 1932 crores. During the year, the Company raised Equity of Rs 100 crores from Entegra Limited, which has become Holding Company by virtue of the merger of the earlier holding Company SKG Power Ventures Private Limited with Entegra with effect from April 1, 2009. Entegra holds Rs 236 crores out of the present Equity Capital of Rs 344 crores. Entegra are the holders of the Optionally Fully Convertible Debentures with a Face Value of Rs 217.50 crores.

The Company has been regularly servicing the interest dues of the OFCD through encashment of the specific Fixed Deposits placed with the banks out of the initial OFCD issue. Due to the volatility of the Capital markets and the advice received from financial experts, the Company has deferred its Initial Public Offering to raise the balance Equity requirement of Rs 266 crores till the commissioning of the first turbine.

In the meanwhile and in order to meet the urgent funds requirements to meet the Project Cost and to regularise the debt servicing requirements of all lenders, the Company is under advanced stage of discussions with Power Finance Corporation Limited, the lead lender to draw against the Subordinate Loan that was sanctioned to the Company in September 2006.

III. Dividends

No Dividend is recommended as the Company is not generating any revenue.

IV. Directors

Mr. Gary Neville, the Investor Director appointed by the Overseas Investor resigned from the Board of Directors on December 1, 2009.

Mr. M L Gupta whose term of office as Managing Director expires on June 30, 2010 is being re-appointed as the Managing Director of the Company for a period of one year from July 1, 2010.

Power Finance Corporation substituted the nomination of their appointee Mr. Ashok Gupta with Mr. Arunava Chakravarti as their Nominee and this was given effect to at the Board Meeting held on December 14, 2009. Mr. Chakravarti has to be appointed as a Director of the Company not liable to retirement by rotation at the ensuing Annual General Meeting. Members are requested to appoint Mr. Chakravarti as a Director not liable to retirement by rotation.

The State Government of Madhya Pradesh withdrew their nominee on the Board Mr. Sanjay Bandopadhyaya and nominated in his place Mr. Mohd. Suleman. The Directors appointed Mr. Suleman as an Additional director under Section 260 of the Companies Act, 1956 on June 16, 2010. His appointment has to be approved by the members at the ensuing Annual General Meeting. Members are requested to appoint Mr. Suleman as a Director of the Company liable to retirement by rotation.

Mr. Alok Sinha, a retired IAS Officer who held the rank of Secretary in the Government of India is being appointed an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956. He would vacate Office at the ensuing Annual General Meeting of the Company and the members are requested to appoint him as a Director liable to retirement by rotation at the meeting.

Mr. Mukul S Kasliwal and Dr N P Jain, Directors retire by rotation at the ensuing Annual General Meeting of the Shareholders and are eligible for re-appointment.

No Director of the Company is interested in any of the above recommended appointments except those whose appointments are proposed.

The Directors wish to place on record their appreciation for the valuable advice received by the Company from Mr. Gary Neville, Mr. Ashok Gupta and Mr. Sanjay Bandopadhyaya during their tenure as Directors of the Company.

V. Auditors

Haribhakti & Company, Chartered Accountants, hold office till conclusion of the ensuing Annual General Meeting and have declared themselves eligible for reappointment as Auditors under Section 224 (1B) of the Companies Act, 1956

VI. Corporate Governance.

All efforts have been taken to adopt the Corporate Governance requirements though your Company is an unlisted Company.

The day to day Management of the Company is in the hands of the Managing Director assisted by the Chief Financial Officer and President Project. The Vice-Chairman of the Company who is the Promoter Director takes active interest in resolving issues related to State Government, Central Government and raising of Equity/ Debt for the Company.

A Board Meeting is held during each quarter based on detailed Agenda papers circulated in advance to all the Directors.

Following Committees have been formed with broad responsibilities:

Members	Responsibility
1. Audit Committee Mr. Sanjiv Garg (Chairman) Mr. A Chakravarty Mr. Pawan Kumar (Four meetings during the year)	Overview financial reporting process and disclosure of financial information. Review audit findings with Statutory and Internal Auditors. Monitoring and reviewing quarterly financial results before submission to Board of Directors. Review and overseeing of the Internal Control Systems. Compliance with Accounting Standards. Review changes in Accounting Policies and Practices and their consistency. Post Balance Sheet events.
2. Rehabilitation & Resettlement Committee Mr. Mukul S Kasliwal Mr. Alok Sinha Dr. N P Jain	Co-ordination with State Government and Local Administration for dealing with all matters related to implementation of R&R Policy of the State Reviewing and overseeing rehabilitation of affected villages through MPSEB.
3. Remuneration Committee Mr. P V Narasimham (Chairman) Mr. Mukul Kasliwal Mr. A Chakravarti	
4. Project Review Committee Mr. P V Narasimham Mr. Mukul Kasliwal Mr. M L Gupta	

VII. Particulars of Employees

Particulars of Employees who receive remuneration prescribed under Sec 217 (2A) of the Companies act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are as under:

Name & Age	Designation	Qualification	Date of Joining	Experience	Gross Remuneration	Previous Responsibility
Mr. M L Gupta 66 years	Managing Director	B Sc Engineering (M Tech)	01.07.2005	42 years in Heavy engineering and Hydro Power Projects	Rs 36.00 lakhs	C M D of Tehri Hydro Power Project

IX. Directors' Responsibility Statement

The Board of directors hereby state under section 217 (2AA) of the Companies Act, 1956 that:

- In preparation of Accounts for the year ended March 31, 2010 the applicable Accounting Standards have been followed along with proper explanation relating to the material departures, if any;
- The Accounting Policies have been consistently applied and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial Year;
- Proper and sufficient care was taken 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;
- The Accounts have been prepared on a going concern basis.

X. Fixed Deposits

The Company has not accepted or renewed any Fixed Deposits from Public during the financial year.

XI. Subsidiaries

The Company does not have any Subsidiary.

XII. Disclosure

Additional Information required under the provisions of section 217 (1)(e) of the Companies Act, 1956 read with (Companies Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is as under:

a) Conservation of Energy, Technology Absorption and Research & Development

Current activities of the Company do not involve any Foreign Technology and consequently process of absorption of Technology and its adaptation is not applicable.

Activities of the Company currently are not energy sensitive. However, the Company has the full benefit of all technological absorption, adoption and innovation that are practised by its Civil, Hydro Mechanical and Electro Mechanical Contractors.

b) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings	Nil
Foreign Exchange Outgo:	
- for CIF Value of Imports	Nil
- for expenses	Nil

XII. Acknowledgement

Your Directors wish to place on record their appreciation for the assistance and co-operation received from the Ministry of Power, State Government of Madhya Pradesh and the Lenders. Your Directors also place on record their gratitude to Employees of the Company, the Contractors and Suppliers associated with the Project for their full support to the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: June 16, 2010

Sd/-
P. V. Narasimham
Chairman

Sd/-
Mukul S. Kasliwal
Vice-Chairman

Auditors' Report

To
The Members of Shree Maheshwar Hydel Power Corporation Limited

1. We have audited the attached Balance Sheet of Shree Maheshwar Hydel Power Corporation Limited ('the Company') as at March 31, 2010 and the cash flow statement for the year ended on that date annexed thereto. No Profit and Loss Account has been prepared, as the Company has not commenced its commercial operations. 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 by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
 - i. 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;
 - ii. 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;
 - iii. The balance sheet and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. Pursuant to Circular No.8/2002 dated 22nd March 2002, issued by the Department of Company Affairs, Ministry of Law, Justice & Company Affairs, Government of India, directors nominated by the Public Financial Institutions/Banks/ Central & State Government are not liable to be disqualified for appointment as directors under the provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. In respect of other directors, on the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010; and
 - b) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **Haribhakti & Co.**
Chartered Accountants
FRN 103523W

Sd/-
Rakesh Rathi
Partner
Membership No. 45228

Place: Mumbai
Date: June 16, 2010

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of
Shree Maheshwar Hydel Power Corporation Limited on the financial statements for the year ended March 31, 2010]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory has been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) The Company does not hold any inventory, in view of this, clauses (ii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence, not reported upon.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, in view of this, clauses (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence, not reported upon.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, in view of this, clauses (iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence, not reported upon.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. The Company has not yet commenced its commercial operations and hence, no sale of goods/ provision of services were undertaken during the year under review. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The maintenance of Cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 has been prescribed by the Central Government in respect of the class of the Company (i.e. Electricity Industry). However, since the Company is in the pre-operative stage during the year under review, maintenance of cost records is considered as applicable only upon commencement of commercial operations.
- (ix) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities 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 material statutory dues applicable to it and no undisputed amounts payable in respect of the above were outstanding, at the year end, for a period of more than six months from the date they became payable except non-payment of Provident Fund dues amounting to Rs. 10.28 lakhs, Advance Tax amounting to 21.88 lakhs, (advance tax subsequently deposited on June 5, 2010). As regards Employees State Insurance, we were explained that the said statute is not applicable to the Company during the year under review.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in lakhs)	Period to which the amount relates	Forum where dispute is pending
Commercial Tax Act	Entry Tax	0.31	FY 1999-00	Second appeal with Assessing Authority, Indore, M.P.
Commercial Tax Act	Entry Tax	4.14	FY 2000-01	Second appeal with Appellate Board, Bhopal
Commercial Tax Act	Entry Tax	2.09	FY 2001-02	First Appeal with Assessing Authority, Indore, M.P.

- (ix) The Company has not commenced its commercial operations and hence no Profit and Loss Account has been prepared by the Company till date. As a result, there are no accumulated losses or cash losses.
- (xi) In our opinion and according to the information and explanations given to us, the Company has delayed/defaulted in repayment of its interest on Secured Loans as follows:
- a) In respect of Post Stalled dues for the year, monthly interest payments were to be made instead of which the company has during the year made following payments:-

Sr. No.	Date of payment	Period of Interest	Amount of Interest (Rs. in lakhs)
1	22-May-09	January 15, 2009 to April 14, 2009	104.79
2	25-May-10	January 15, 2009 to April 14, 2009	62.88
3	16-Sep-09	November 2005 to May 2009	251.77
4	24-Sep-09	April 15, 2009 to August 14, 2009	250.81
5	25-Sep-09	April 15, 2009 to August 14, 2009	63.58
6	30-Sep-09	March 2009 to August 2009	183.38
7	15-Oct-09	August 14, 2009 to September 30, 2009	54.49
8	13-Nov-09	June 2009 to October 2009	71.28
9	19-Jan-10	November 2005 to December 2009	60.42
10	29-Jan-10	October 1, 2009 to December 31, 2009	106.6
11	2-Feb-10	October 15, 2009 to January 14, 2010	1080.74
12	22-Feb-10	October 15, 2009 to January 14, 2010	5.12
13	25-Mar-10	November 2005 to February 2010	53.65
14	25-Mar-10	January 15, 2009 to April 14, 2009	62.88
15	25-Mar-10	October 15, 2009 to January 14, 2010	818.74
16	31-Mar-10	December 01, 2009 to February 28, 2010	155.47

- b) Further, in respect of Post Stalled dues for the period commencing from November 1, 2005 to February 28, 2010, monthly interest payments which were required to be paid but were not paid as on March 31, 2010 are as follows:-

Period of Interest	Amount of Interest (Rs. in lakhs)
January 15, 2009 to January 14, 2010	1,847.25
January 15, 2009 to February 28, 2010	955.13
October 1, 2009 to February 28, 2010	148.34
January 1, 2010 to February 28, 2010	642.13
Total	3,592.85

- (xii) We are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to 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 banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised, except an amount aggregating Rs. 852.00 lakhs as at the close of the year temporarily deployed in fixed deposits with banks, pending utilization for project purposes.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds amounting to Rs. 3,108.50 lakhs raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
FRN 103523W

Sd/-
Rakesh Rathi
Partner
Membership No. 45228

Place: Mumbai
Date: June 16, 2010

BALANCE SHEET AS AT 31 MARCH 2010

(Amount in Rs.)

Particulars PARTICULARS	Schedule	As at 31st March 2010	As at 31st March 2009
I SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	A	3,440,000,000	2,440,000,000
Share Application Money		552,790,000	-
Loan Funds:			
Secured Loans	B	17,008,517,958	13,161,095,264
Unsecured Loans	C	4,000,000,000	4,000,000,000
Total		25,001,307,958	19,601,095,264
II APPLICATION OF FUNDS:			
Fixed Assets:			
Gross Block	D	204,383,223	194,999,155
Less: Accumulated Depreciation		51,355,413	45,689,390
Net Block		153,027,810	149,309,765
Capital Work-in-Progress		12,454,162,053	8,476,097,044
Capital Advances		589,070,780	1,256,590,917
Pre-operative Expenditure During Construction Period (Pending allocation)	E	12,243,492,917	10,024,514,040
Current Assets, Loans And Advances:	F		
Cash & Bank Balances		689,750,948	987,031,817
Loans & Advances		343,865,400	302,599,573
Other Current Assets		33,859,929	95,047,943
		1,067,476,277	1,384,679,333
Less: Current Liabilities & Provisions	G		
Current Liabilities		1,346,393,041	1,561,300,179
Provisions		159,528,838	128,795,656
		1,505,921,879	1,690,095,835
Net Current Assets		(438,445,602)	(305,416,502)
Total		25,001,307,958	19,601,095,264

Significant Accounting Policies and Notes to Accounts
Schedules referred to above form an integral part of the financial statements

H

As per our attached Report of even date

For & On behalf of the Board

For Haribhakti & Co

Chartered Accountants

Sd/-
Rakesh Rathi

Date: 16th June 2010

Place: Mumbai

Sd/-
Mukul S. Kasliwal
Vice - Chairman

Sd/-
M.L.Gupta
Managing Director

Sd/-
N.Ramkrishnan
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Amount in Rs.)

Particulars		For the year ended 31st March 2010	For the year ended 31st March 2009
A. CASH FLOW FROM INVESTING ACTIVITIES			
Increase in Balance in Pre Operative Expenditure during the year		(2,218,978,877)	(2,054,534,257)
Adjustments for:			
Depreciation		6,482,349	5,725,288
Interest & Other Financial Expenses		1,894,086,201	1,649,122,710
Gain From Foreign Exchange Fluctuations		(25,076,520)	109,261,980
		(343,486,847)	(290,424,279)
Adjustment for movement in Working Capital:			
Increase/(Decrease) in Sundry Creditors & Other Payables		(175,571,904)	672,653,914
(Increase) / Decrease in Loans & Advances		(41,265,826)	(27,633,860)
(Increase) / Decrease in Material in Transit		19,110,516	(18,047,476)
Purchase/Disposal of Fixed Assets		(10,200,394)	(4,506,693)
(Increase) / Decrease in Capital Advances		667,520,137	(251,014,806)
(Increase) / Decrease in Capital WIP		(3,997,175,525)	(3,116,687,958)
Cash from / (Used in) Investing Activities		(3,881,069,843)	(3,035,661,159)
B. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Shares		1,000,000,000	1,000,000,000
Proceeds from Share Subscription Money		552,790,000	-
Proceeds from Borrowings		3,767,487,178	3,057,846,004
Miscellaneous Expenditure (To The Extent not Written Off)		-	(1,000,000)
Interest and Financial charges paid		(1,736,488,205)	(1,680,583,243)
Cash from / (Used in) Financing Activities		3,583,788,973	2,376,262,761
Net Increase/ (Decrease) in Cash & Cash Equivalents (A)+(B)		(297,280,870)	(659,398,398)
Cash & Cash equivalents- Opening balance		987,031,817	1,646,430,215
Cash & Cash equivalent - Closing balance		689,750,948	987,031,817

Cash & Cash equivalent Comprises the following Balance Sheet Amounts

	Year 2009-10	Year 2008-09
Cash in Hand	91,374	392,689
Balances with Bank	689,659,574	986,639,128
Total	689,750,948	987,031,817

Schedules referred to above form an integral part of the financial statements

As per our attached Report of even date

For Haribhakti & Co

Chartered Accountants

Sd/-
Rakesh Rathi

Date: 16th June 2010

Place: Mumbai

For & On behalf of the Board

Sd/-
Mukul S. Kasliwal
Vice - Chairman

Sd/-
M.L.Gupta
Managing Director

Sd/-
N.Ramkrishnan
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH 2010

(Amount in Rs.)

Particulars	As at 31st March 2010	As at 31st March 2009
SCHEDULE "A"		
SHARE CAPITAL		
Authorised :		
200,00,00,000 (P/Y 250,00,00,000) Equity Shares of Rs. 10 each	20,00,00,00,000	25,00,00,00,000
50,00,00,00,000 (P/Y Nil) Preferential Shares of Rs. 10 each	5,00,00,00,000	
	25,00,00,00,000	25,00,00,00,000
Issued Subscribed & Paid - up:		
34,40,00,00,000 (P/Y 24,40,00,00,000) Equity Shares of Rs. 10 each, fully paid up (Of the above 23,64,41,400 (P/Y 13,64,41,400) shares are held by Holding Company, Entegra Limited)	3,44,00,00,000	2,44,00,00,000
SCHEDULE "B"		
SECURED LOANS		
(i) Term Loans		
a) Rupee Term Loans		
From Financial Institutions	9,81,21,1,430	7,64,31,3,605
From Banks	3,37,60,89,668	1,29,50,00,000
b) Foreign Currency Term Loan		
From Financial Institutions	-	50,70,03,450
c) Zero Coupon Bonds	3,42,20,9,484	3,50,1,81,388
d) Interest Accrued and Due	39,43,49,599	21,17,36,659
1. Secured by way of equitable mortgage, ranking pari passu, on all the immovable properties, both present and future, and hypothecation of all the movable assets, both present and future.		
2. The Company has created mortgage on 250 hectares of the leasehold land and 213 hectares of project land on 20/04/2007 along with all properties situated thereon		
3. Personally guaranteed by Promoter Directors and certain associate companies.		
4. In the event of default, the Institutions have the right to convert upto 20% of the Loan Amount into Equity shares of the Company at par.		
e) Interest Accrued and Due		
ii) Other Loans		
Vehicle loans	1,65,7,777	2,23,1,162
Secured by the hypothecation of the vehicles financed.		
	17,00,85,17,958	13,16,10,95,264
SCHEDULE "C"		
UNSECURED LOANS		
i) 2175 9.75% Optionally Fully Convertible Debentures of 10,00,000 each fully paid up	2,17,50,00,000	2,17,50,00,000
ii) 935 10.75% Convertible Debentures of Rs 10,00,000 each fully paid up	93,50,00,000	93,50,00,000
iii) 890 10.75% Non Convertible Debentures of Rs 10,00,000 each fully paid up (All the above debentures are secured by Default payment guarantee issued by Power Finance Corporation Limited in favour of the trustees and second charge on paripassu basset on land situated at Ahmedabad amounting to Rs. 493440/-)	89,00,00,000	89,00,00,000
	4,00,00,00,000	4,00,00,00,000

SCHEDULE FORMING PART OF ACCOUNTS AS AT 31 MARCH 2010

SCHEDULE "D" FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	NET BLOCK
	As At 1-Apr-09	Additions During The Period	Deductions During The Period	As At 31-Mar-10	Upto 1-Apr-09	Provided For The Period	Deduction / Adjustments	Upto 31-Mar-10	As At 31-Mar-10	As At 31-Mar-09
Land - Freehold	58,759,123	-	-	58,759,123	-	-	-	-	58,759,123	58,759,123
Land - Leasehold	18,074,844	-	-	18,074,844	6,627,442	602,495	-	7,229,937	10,844,907	11,447,402
Building *	70,065,220	-	-	70,065,220	14,155,811	1,141,702	-	15,297,513	54,767,707	55,909,409
Water Supply Installation	270,423	195,135	-	465,558	109,195	77,107	-	186,302	279,257	161,229
Electric Equipment & Installation	3,144,978	145,170	-	3,290,148	1,208,981	165,271	-	1,374,252	1,915,896	1,935,997
Internal Distribution Lines	11,661,500	6,531,100	-	18,192,600	4,915,529	700,961	-	5,616,490	12,576,111	6,745,972
Tools & Equipments	300,874	18,830	-	319,704	123,895	15,958	-	139,853	179,851	176,979
Computers	4,916,162	445,522	-	5,361,684	4,269,404	322,169	-	4,591,573	770,111	646,758
Office Equipments	2,634,243	189,711	89,419	2,734,535	883,302	146,971	15,221	1,015,052	1,719,484	1,750,942
Furniture And Fixtures	6,384,384	133,724	-	6,518,108	3,941,607	429,673	-	4,371,280	2,146,828	2,442,777
Vehicles	18,787,404	2,843,390	1,029,096	20,601,698	9,454,224	2,880,042	801,102	11,533,164	9,068,534	9,333,180
TOTAL	194,999,155	10,502,582	1,118,515	204,383,223	45,689,387	6,482,349	816,323	51,355,413	153,027,810	149,309,765
PREVIOUS YEAR	191,154,088	4,745,984	900,917	194,999,155	40,625,728	5,725,288	661,626	45,689,390	149,309,765	150,528,360

CAPITAL WORK-IN-PROGRESS	31-Mar-10	31-Mar-09
DESIGN, ENGINEERING & CONSULTANCY	521,167,043	513,580,339
CIVIL WORKS	7,236,471,222	6,151,247,416
HYDROMECHANICAL WORKS	2,321,822,523	1,147,857,708
ELECTROMECHANICAL WORKS	2,166,830,126	436,429,926
PLANT & MACHINERY	206,602,739	206,602,739
MATERIAL IN TRANSIT	1,268,400	20,378,916
	12,454,162,053	8,476,097,044

*Refer Note -II -5 of Schedule H

1) Charges pertaining to Engineering Consultants/Contractors are accounted for as per long term contracts and /or invoicing thereof and relied upon by auditors being a technical matter.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH 2010

(Amount in Rs.)

PARTICULARS	AS AT 31 March 2010		AS AT 31 March 2009	
SCHEDULE "E"				
PRE - OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD (PENDING ALLOCATION)				
Opening Balance		10,024,514,040		7,992,594,122
Additions during the period:				
Rent		4,306,348		2,338,694
Insurance		17,299,507		17,303,458
Power & Fuel		888,281		314,906
Repairs & Maintenance:				
a) Plant & Machinery	90,429		108,064	
b) Buildings	653,319		932,005	
c) Others	843,593	1,587,341	671,871	1,711,940
Payments to & Provision for employees:				
a) Salaries and Wages	48,401,163		43,854,523	
b) Gratuity	3,023,609		1,159,090	
c) Contribution to Provident Fund & Other funds	1,452,020		539,561	
d) Staff & Labour Welfare	640,314	53,517,106	2,698,336	48,251,510
Vehicle Expenses		5,299,975		5,467,478
Travelling & Conveyance		10,583,047		10,862,393
Lease Rent		1,158,516		1,152,422
Telephone, Telex & Postage		1,961,814		2,370,875
Advertisement		432,400		810,605
Courtesy Expenses		1,567,182		2,903,704
Printing & Stationery		557,758		687,679
Audit Fees		893,430		616,974
Directors' Sitting fees		170,000		195,000
Rehabilitation and Resettlement		353,772,532		288,473,258
Legal and Professional		24,806,219		14,458,215
Loss on Sale of assets (Net)		16,675		117,520
Loss on Sale of current investments				
Security Expenses		2,633,626		2,030,034
Miscellaneous Expenses		5,105,170		3,905,114
Depreciation		6,482,349		5,725,288
Interest				
a) On Term Loans	1,293,197,884		1,047,606,817	
b) On OFCD Holders	407,795,809		408,520,215	
c) Others	24,599,404	1,725,593,097	523,482	1,456,650,514
Financial Expenses including Guarantee commission		168,493,103		185,786,319
Wealth Tax		44,108		56,020
Fringe Benefit Tax		-		2,048,098
Sundry Balances Written Off		4,453,337		8,438
Loss from Foreign Exchange Fluctuations				109,261,980
		12,416,136,960		10,156,102,560
Deductions during the period:				
Income from Foreign Exchange Fluctuations		25,076,520		
(TDS - Rs.Nil ; Previous year Nil)				
Profit on Sale of Investments				
Miscellaneous Receipts		2,832,532		-
Sundry balance written Back		131,540		635,996
Interest On Fixed Deposits	78,206,076		139,167,602	
(TDS Rs 98,71,700 Previous Year Rs 3,28,85,048)				
Provision for Income Tax	28,241,556	49,964,520	48,752,078	90,415,524
		78,005,112		91,051,521
Less: Excess interest provision in earlier years written back		94,638,932		40,537,000
Closing Balance		12,243,492,917		10,024,514,040

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH 2010

(Amount in Rs.)

Particulars	As at 31st March 2010	As at 31st March 2009
SCHEDULE "F"		
CURRENT ASSETS		
CASH & BANK BALANCES		
a) Cash on hand	91,374	392,689
b) Balance with Scheduled Banks:		
i) In Current Accounts	14,134,518	39,792,105
ii) In Fixed Deposit Accounts	675,525,056	946,847,023
	689,750,948	987,031,817
LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	150,279,376	130,450,949
Deposits	65,171,294	67,715,888
Income Tax paid/Deducted at source	128,414,730	104,432,736
	343,865,400	302,599,573
OTHER CURRENT ASSETS		
Interest Accrued - Fixed Deposits	33,859,929	95,047,943
	33,859,929	95,047,943
SCHEDULE "G"	1,067,476,277	1,384,679,333
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
i) For MSME	-	-
ii) For Capital Goods	605,304,123	1,040,188,901
iii) For Expenses	20,708,075	22,952,108
	626,012,198	1,063,141,009
Retention Money	167,779,029	76,074,917
Other Liabilities	337,446,374	198,326,757
Interest accrued but not due	215,155,440	223,757,496
	1,346,393,041	1,561,300,179
PROVISIONS		
Income Tax	141,620,531	114,631,254
Fringe Benefit Tax	5,119,145	6,284,816
Wealth Tax	219,893	175,785
Gratuity	6,639,938	3,648,314
Leave Encashment	5,929,331	4,055,487
	159,528,838	128,795,656
	1,505,921,879	1,690,095,835

Shree Maheshwar Hydel Power Corporation Limited

Schedule - "H"

I. Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention, on accounting principles of a going concern, as per the provisions of the Companies Act, 1956, the applicable Accounting Standards and generally accepted Accounting Principles in India.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates..

3. Fixed Assets and Capital Work in Progress

Fixed Assets are stated at cost, which includes acquisition or construction cost as well as apportioned cost, less accumulated depreciation.

Pre-operative Expenditure incurred during the construction period will be capitalized under relevant Fixed Assets Account upon commencement of commercial generation of power, in accordance with the generally accepted accounting principles.

Premium paid for leasehold land is amortized over a period of the Lease Term

4. Depreciation

Depreciation has been provided on Fixed Assets at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, on Straight Line Method except on: Motor cars and Computers where the Depreciation is charged on Written down Value Method. The Company has an accounting policy of charging 100% depreciation on assets each costing less than Rs 5000.

Depreciation on the fixed assets added/disposed off during the year is provided on pro-rata basis.

5. Investments

Long Term Investments are stated at cost. Provision for diminution in the value of long term investment is made only if, in the opinion of the management, such a diminution is other than temporary.

Current Investments are carried at lower of cost and fair value. In respect of current investments, the shortfall in book value when compared to market value of said investments on individual basis is charged to revenue (Pre-operative Expenses).

6. Foreign Currency Transactions

- Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.
- Foreign currency designated assets, liabilities and capital commitments as at balance sheet date are restated at the year end rates.
- Resultant exchange differences are adjusted to Revenue (Pre Operative Expenses).

7. Revenue Recognition

The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis unless otherwise expressly stated and except those with significant uncertainties.

8. Employee Retirement Benefits

- Company's contribution to Provident Fund, wherever applicable, is charged to Pre-operative Expenditure Account.

- b) Gratuity and accumulated leave encashment liability are charged to Pre-operative Expenditure Account on the basis of actuarial valuation as at year end.

9. Borrowing Costs

Borrowing costs attributable to the acquisition and construction of assets are charged to the 'Pre-operative expenditure' and will be capitalised as part of cost of respective assets up to the date such assets are ready for their intended use upon commencement of commercial production. Other borrowing costs are charged to the Pre-operative expenditure during the construction period.

10. Leased Assets

Rentals in respect of Leased Land are expensed out in terms of Lease Agreement.

11. Share Issue Expenses

Share issue expenses will be adjusted against securities premium at the time of initial public offering

12. Impairment of Assets

If the carrying amount of the fixed assets exceeds the recoverable amounts on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flow.

13. Taxation

Provision for current tax is made after taking into account benefits admissible under the provisions of Income Tax Act, 1961. Deferred Tax for timing differences in accordance with AS 22 "Accounting for Taxes on Income" will be accounted for upon commencement of Commercial Production.

14. Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent Liabilities are disclosed by way of notes on the Balance Sheet.

15. Cash and Cash Equivalent

Cash and Cash Equivalent in the Balance Sheet Comprises of Cash in Hand at Bank

II. Notes to Accounts:

1. Contingent Liabilities not provided for in respect of the following:

(Rs. in lacs)

Particulars	Current Period	Previous Year
a) Claims against the Company not acknowledged as debts	4274.58	1,13,12.32
b) In respect of Demands raised, which are under appeal: Entry Tax	9.39	9.39
c) Letter of Credit for the Import of Capital Items	Nil	438.78

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) Rs. 49,643 Lacs (Previous Year Rs. 67,676 Lacs).
3. No Profit and Loss Account has been prepared since the Company is in the process of implementation of the project. The Company has instead, prepared the 'Statement of Pre-operative Expenditure during Construction Period (Pending allocation)'. The Pre-operative Expenditure incurred during the construction period will be apportioned to relevant fixed assets account upon commencement of commercial generation of power, in accordance with the generally accepted accounting principles.

4. Instalments of Principal due within a period of 12 months under the head Secured Loans - Term Loans from Financial institutions/ Banks Nil (Previous year NIL) , Vehicle Loans Rs 6.47 Lacs (Previous year Rs.5.73 Lacs) and Unsecured Loans Nil (Previous year NIL)
5. (a) Power project under implementation including land, residential/ commercial quarters etc. taken over from Madhya Pradesh State Electricity Board (MPSEB) on 31st March, 1996 has been provisionally accounted for at the values determined by the Company on the basis of information available from MPSEB, to Fixed Assets, Capital Work In Progress and Pre-operative expenditure at Rs. 696.97 Lacs Rs. 533.08 Lacs and Rs. 551.28 Lacs respectively. However, there was a demand from MPSEB in the year 2005 for Rs 13,093.65 lacs. The Company had up to the financial year 2008-09 shown the differential amount of Rs 11,312.32 lacs as Contingent Liability
- (b) The Government of Madhya Pradesh had appointed an independent valuer M/s Anil Dhope & Associates for valuation of assets transferred to the Company by MPEB .M/s Anil Dhope & Associates have submitted a preliminary report to Government of Madhya Pradesh wherein they have arrived at the value of assets taken over by the Company from MPEB as Rs 4274.58 lakhs The Government of Madhya Pradesh has circulated the Preliminary report of the valuer for comments of the Company. The Company has pending submission of the final report shown this as Contingent Liability in the Notes to Accounts On, the submission of the final report, the Company will issue equity shares to MPSEB as consideration as per the terms of the FRP.
6. The Company has a policy of handing over construction materials to the civil contractors on receipt of the same at site in the case of cement and at collection points outside the site in the case of steel. The same has been consistently charged to respective capital assets under construction / Work in progress, on acceptance by the contractors and relied upon by the auditors being a technical matter. However, the actual consumption of the construction material will be ascertained upon the completion of the construction work and adjustments, if any, will be effected in the year of completion.
7. In the opinion of the management, Current Assets, Loans and Advances and Capital Advances have a realisable value in the ordinary course of business at least equal to the amounts at which they are stated in the financial statements, except to the extent stated otherwise.
8. The balances of certain Sundry Creditors and Advances given are subject to confirmation / reconciliation. The Management does not expect any material differences arising there from affecting the current period's financial statements.
9. No provision towards deferred taxation has been considered in the accounts, since no commercial activities are carried out by the Company during the period and considering the prudent accounting policy and in absence of reasonable certainty.
10. In the year 2001, due to withdrawal of the then financial associate, there was a break up in the financial closure leading to stoppage of disbursements to the Company by the lenders which in turn lead to the total stoppage of all construction activities. Due to Financial Realignment measures undertaken by the Company, project work at site recommenced from November 2005 and project financial closure was declared in September 2006. All expenditure incurred during the stalled period i.e. October/November 2001 to October 2005 including interest of Rs. 29,613 lakhs are of the nature of Preoperative expenditure and the Company has considered them for capitalization on commissioning of the project.
11. The Financial Realignment Plan (FRP) submitted by the Company was individually approved by concerned lenders as under:
 - (i) Interest and all charges up to September/October 2001 i.e. Pre Stalled Period was paid to all lenders aggregating to Rs 3320 lakhs
 - (ii) The Interest Liability for the Stalled Period inclusive of compound interest has been paid as Zero Coupon Bonds (ZCB) repayable over 20 years in equal quarterly instalments commencing after a moratorium of 12 months from the Commercial Operations Date. Zero Coupon Bonds have been issued to the extent of Rs 34,242 lakhs
 - (iii) The Company has made provision in accounts to cover all interest dues including Compound Interest and Liquidated Damages for all lenders up to March 31, 2010. The Company has paid during the year simple interest @ 8.5% per annum for the Post Stalled Period aggregating to Rs 3465.88 lakhs
 - (iv) The Term Loan Principal amount is repayable over 15 years commencing after a moratorium of 18 months from the Commercial Operations Date

12. (i) In the year 2007 the Company raised Optionally Fully Convertible Debentures amounting to Rs. 21,750 lacs @ 9.75% p.a. and Rs. 18,250 lacs @ 10.75% p.a. The debentures are redeemable at par in 22 equal half yearly instalments commencing from 4 years and 6 months from deemed date of allotment. The Debentures are secured by an unconditional and irrevocable Guarantee of Power Finance Corporation. Pending finalisation of the date of the commissioning of the project (December 2010) interest due to debenture holders for four years from date of issue have been kept with Fixed Deposits with various Banks as per terms of issue.
- (ii) The Company will earn revenue only after the commissioning of the project. Hence the amount required to be transferred to Debenture Redemption Reserve as per Sec 17 C of the Companies Act 1956 will be made out of the profits thereafter.
13. Assistant Provident Commissioner, Indore raised demand amounting to Rs 14.58 Lakhs in June'05 covering the period up to February 2005 in respect of site staff and workers not covered under the Scheme. The Company duly provided for the demand and also paid the amount in instalments under protest. The Company appealed against the demand and the matter is before the Delhi High Court. The Company provided for employers' and employees liability amounting to Rs 10.28 Lakhs in respect of these employees for period from March 2005 to February 2007. In the absence of any demand/ assessment and the matter being subjudice, no payments thereof has been made to the Authorities. The Company decided to extend benefits of the Scheme to eligible employees fully from March 2007 and both the employees and employers' contributions are being deposited with the Authorities since then.

14. Payments to Auditors:

(Rupees in Lacs)

	Current period (Rs.)	Previous Year (Rs.)
Audit Fees	8.82	5.52
Other Capacity:		
Certification	0.11	0.5
Out of Pocket Expenses	NIL	0.04
	8.93	6.06

15. Employee Benefits

The Company has classified various employee benefits as under:

(A) Defined Benefit Plans

- (a) Gratuity
- (b) Leave Encashment

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

- (i) Discount Rate (per annum) 8.00%
- (ii) Rate of increase in Compensation levels 15%
- (iii) Attrition Rate 20%

		(Rs in Lakhs)	
		2009-10	2008-09
		Gratuity (Non Funded)	Gratuity (Non Funded)
(i) Changes in Present value of Obligation			
(a) Opening Present value of Obligation		36.48	24.89
(b) Interest Cost		2.54	1.87
(c) Past Service Cost		13.79	-
(d) Current Service Cost		21.93	13.3
(e) Contributions by Plan participants		-	-
(f) Curtailment Cost/(Credit)		-	-
(g) Settlement Cost/(Credit)		-	-
(h) Benefits Paid		-0.32	-
(i) Actuarial (Gains)/Loss		-7.7	-3.58
(j) Amalgamation/ Scheme		-	-
(k) Closing Present value of Obligation		66.72	36.48

(ii)	Changes in Fair value of Plan Assets		
(a)	Opening Present value of Plan Assets		
(b)	Expected Return on Plan Assets		
(c)	Actuarial (Gain) / Loss	-	-
(d)	Employer's Contributions	0.32	
(e)	Employees' Contributions (incl. Rs Nil transferred from previous employers)	-	-
(f)	Benefits Paid	(0.32)	-
(g)	Amalgamation / Scheme	-	-
(h)	Closing Fair value of Assets	-	-
(iii)	Percentage of each category of Plan Assets to total closing fair value of Plan Assets		
(a)	Bank Deposits (Sp. Dep. Scheme, 1975)	-	-
(b)	Debt Instruments	-	-
(c)	Administered by Life Insurance Corporation of India	0	0
(d)	Others		
(iv)	Reconciliation of the Present Value of Defined Present Obligations and the Fair Value of Assets		
(a)	Closing Present value of Funded Obligation	66.4	36.48
(b)	Closing Fair value of plan Assets	-	-
(c)	Funded (Asset) / Liability recognized in the Balance Sheet	66.4	36.48
(d)	Closing Present value of Unfunded Obligation	-	-
(e)	Unrecognized Past Service Cost	-	-
(f)	Unrecognised Actuarial (Gain) / Loss	-	-
(g)	Unfunded Net Liability recognized in the Balance Sheet	-	-
(v)	Amounts recognized in the Balance Sheet		
(a)	Closing Present value of Obligation	66.4	36.48
(b)	Closing Fair value of Plan Assets	-	-
(c)	(Asset) / Liability recognised in the Balance Sheet	66.4	36.48
(vi)	Expenses recognised in the Statement of Preoperative Expenses		
(a)	Current Service Cost	21.93	13.3
(b)	Past Service Cost	13.46	-
(c)	Interest Cost	2.54	1.87
(d)	Expected Return on Plan Assets	-	-
(e)	Curtailment cost / (Credit)	-	-
(f)	Settlement Cost / (credit)	-	-
(g)	Net Actuarial (Gain) / Loss	(7.7)	(3.58)
(h)	Employees' Contribution	-	-
(i)	Total Expenses recognised in the Statement of Preoperative Expenditure	30.23	11.59
vii)	Amounts for the current and previous two years are as follows:		

Benefit	2009-10	2008-09	2007-08
Defined Benefit Obligation	115.55	36.48	24.89
Plan Assets (including bank balance)	Nil	Nil	Nil
Surplus / (Deficit)	(115.55)	(36.48)	(24.89)
Experience Adjustments on Plan Liabilities LOSS / (GAIN)	(37.95)	(14.27)	5.32
Experience on Plan Assets	Nil	Nil	Nil

Note: Since Company has started providing the gratuity as per AS15 (Revised) from 2007-08, figures are given only for three years.

Defined Benefit Obligations as at March 2010 includes unrecognized non vested past service liability of Rs 14.44 Lacs..

Contributions expected to be paid to the plan during the annual period beginning after the Balance sheet Date 31st March 2010 is Nil as the Company gratuity is non funded

The additional liability to the Company on account of increase in ceiling of gratuity as per Official Gazette of India dated May 18 2010 is Rs 13,46,508

The Company also provided leave encashment on actuarial valuation amounting to Rs 59.29 Lacs (Previous Year Rs 40. 55 Lacs) for the period ended 31st March 2010

(B) Defined contribution plan

Amount recognised as an expense and included in the schedule E - "Contribution to provident funds" of Statement of Pre operative Expenses Rs. 14.52 Lacs/- (Previous Year Rs. 5.40 Lacs).

- 16 Borrowing Cost as per AS-16 amounting to Rs 17253.49 lacs (Previous Year Rs 14563.36 lacs) has been debited to Preoperative Expenditure During Construction Period- (Pending Allocation)
- 17 During the period the Company has amortised premium paid on leasehold project land over the period of the lease term. Accordingly an amount of Rs 6.02 Lacs has been charged to Statement of Preoperative Expenditure

18. Directors' Remuneration (Excluding Contribution for Gratuity and Leave Encashment

(Rupees in Lacs)

	Current period (Rs.)	Previous Year (Rs)
Salary	21.6	28.25
Other Allowances / Perquisites	14.4	19.99
	36	48.24
Directors Sitting Fees *	1.70	1.95

* Paid to all the directors other than Whole Time Directors.

19. Disclosure as required by Accounting Standard 18 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India is as follows:

Names of the related parties and description of relationship:

- (a) Holding Company : Entegra Ltd
- (b) Associates : None
- (c) Key Management Personnel : ML Gupta Managing Director

Details of Transactions:

(Amount in Rs. Lacs)

Sr. No.	Nature of Transaction	Holding Company	Key Managerial Personnel	Total
i.	Equity Shares held by Entegra Ltd.	236,44.14 (136,44.14)		236,44.14 (136,44.14)
ii	Advance Against Share Subscription (by Entegra Ltd.)	5,527.90 (Nil)		5,527.90 (Nil)
Iii	Remuneration		36.00 (48.24)	36.00 (48.24)

Figures in bracket represent previous year's figures.

The related party relationships have been identified by the management and relied upon by the Auditors.

- 20 The Company is having only one business segment and geographical segment i.e. Generation and Distribution of Power to MPSEB in the State of Madhya Pradesh. Hence, keeping in view the Accounting Standards Interpretation (ASI) 20 issued by ICAI, the information required under AS 17 'Segment Reporting' is not disclosed.
- 21 Additional information pursuant to paragraph 4D of part II of schedule VI to the Companies Act, 1956, to the extent applicable, are as follows:

Expenditure/Earning in Foreign Currency: Nil (Previous Year Nil)

22 Disclosure as per AS-19 "Leases"

The Total of future minimum lease payments payable under non-cancellable operating lease for each of the following periods:

(Rupees in Lacs)

Period	Current Period (Rs)	Previous Year (Rs.)
Not Later than one year	43.28	16.7
Later than one year and not later than five years	52.85	30.12
Not later than five years	Nil	Nil

Total lease rentals paid during the period April-09 to March 2010 Rs. 33.86 Lacs (Previous Year Rs 15.51 Lacs) in respect of the above leases mentioned.

The above disclosure is in respect of offices, Guest houses taken on an operating lease for a period of 3-5 years and lease rentals in respect of which are charged to the statement of preoperative expenditure

- 23 Based on the Information available with the Company there are no dues which remain payable beyond 45 days to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act 2006.
- 24 Previous year's figures have been re-grouped, reclassified and rearranged, wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 16th June 2010

Sd/-
Mukul S. Kasliwal
Vice - Chairman

Sd/-
M. L. Gupta
Managing Director

Sd/-
N. Ramakrishnan
Company Secretary

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956:

I	Registration Details	
	Registration No.	11-07667
	State Code	10
	Balance Sheet Date	31 st March, 2010
II	Capital Raised during the year	
	Preferential Allotment	10,000
	Right Issue	Nil
	Bonus Issue	Nil
III	Position of Mobilisation and Development of Funds	
		Amount(Rs.in lakhs)
	Total Liabilities	
	Total Assets	
	(a) Sources of Funds	
	Paid up Capital	34,400
	Share Application Money	5,528
	Reserves & Surplus	Nil
	Secured Loans	1,70,085
	Unsecured Loans	40,000
	(b) Application of Funds	
	Net Fixed Assets	1,530
	Capital Work in Progress	1,24,542
	Capital Advances	5,891
	Pre operative expenses (Pending allocation)	1,22,434
	Investments	Nil
	Net Current Assets	(4,384)
	Accumulated Losses	Nil
IV	Performance of Company	
	Turnover	N.A*
	Total Expenditure	N.A*
	Profit/(loss) before Taxation	N.A*
	Profit / (loss) after Taxation	N.A*
	Earnings Per Share (annualised)	N.A*
	Dividend (%)	N.A*

*The Company has not commenced its commercial operations as yet.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 16th June 2010

Sd/-
Mukul S. Kasliwal
Vice - Chairman

Sd/-
M. L. Gupta
Managing Director

Sd/-
N. Ramakrishnan
Company Secretary



ENTEGRA
Energising the future

15th Annual Report 2009-2010



EnnerTech Biofuels

ENNERTECH BIOFUELS LIMITED

FINANCIAL STATEMENT



BOARD OF DIRECTORS

Mr. Ajit Kapadia
Director

Mr. Vijendra Kumar Jain
Director

Mrs. Rekha Jagdale
Director

BANKERS

IDBI BANK LIMITED
Venkatesh Chamber, Prescott Road,
P. B. No. 714, Fort, Mumbai 400 001.

AUDITORS

M/S MALPANI & ASSOCIATES
Chartered Accountants
307, Chartered House, Marine Lines
Mumbai 400002.

REGISTERED OFFICE

Niranjan, "99"
Marine Drive, Near Marine Lines Station,
Mumbai 400 021.

CORPORATE OFFICE

4th Floor,
Harchandrai House,
Marine Lines (East),
Mumbai 400002.

DIRECTORS' REPORT

The Members,

Your Directors are pleased to present the 14th Annual Report and Audited Annual Accounts for the year ended on 31st March, 2010.

FINANCIAL HIGHLIGHTS:-

During the year under review no business activities were undertaken.

DIVIDEND

Your Directors do not recommend any Dividend.

DIRECTOR

In accordance with the Companies Act, 1956 Shri Ajit Kapadia who retires by rotation and being eligible offer himself for reappointment.

FIXED DEPOSITS

The company has not invited or accepted any public deposits during the period.

AUDITORS AND THEIR REPORT

M/s. Malpani & Associates, Chartered Accountants, auditors of the company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The qualification in the Auditors Report and explanations in the notes to accounts is self explanatory.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the provisions of the Companies (Particulars of Employees) Rules, 1975, as amended, regarding the employees, is presently not required to be disclosed in respect of any employee of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii) Your Directors have 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 the end of the financial year and of the preoperative expenses of the company for the year.
- iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing / detecting fraud and other irregularities.
- iv) Your Directors have prepared the attached Statement of Accounts for the year ended 31.03.2010 on a going concern basis.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are not applicable to the Company.

Further during the year Foreign Exchange earnings and outgo was NIL.

ACKNOWLEDGMENT

The Directors wish to place on record their gratitude to the advisors for their timely assistance and also place on record their appreciation for the wholehearted and continuing support extended by the shareholders.

**By order of the Board
For ENNERTECH BIOFUELS LIMITED**

**Sd/-
DIRECTOR**

Place: Mumbai

Date: 23rd August, 2010

Auditor's Report

The Members,
Ennertech Biofuels Limited

1. We have audited the attached Balance Sheet of **Ennertech Biofuels Limited** as at March 31, 2010 and the Profit and Loss Account and the Cash Flow Statement 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 by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub Section 4A of Section 227 of the Companies Act, 1956, we are enclosing herewith annexure on the matters specified in Paragraphs 4 and 5 of the said Order to the extent applicable to the company.
4. Further to our comments in the Annexure referred to in Para 3 above, we report as follows:
 - (i) 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;
 - (ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in sub section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable to the Company during the year;
 - (v) On the basis of written representations received from the directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and other Notes thereon in Schedule - 5 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;
 - a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2010;
 - b) In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For Malpani & Associates
Chartered Accountants
Sd/-

Shyam Malpani
Proprietor
Membership No. F- 34171

Place : Mumbai
Date : 23rd August 2010.

Annexure to the Auditors' Report

(On the Financial Statements for the year ended 31st March 2010 of EnnerTech Biofuels Limited)

In terms of the information and explanation given to us and the books and records examined by us and on the basis of such checks, as we considered appropriate, we further report as under:

(i) Fixed Assets

- a) The Company has maintained proper records pertaining to fixed assets showing full particulars including quantitative details and situation of fixed assets.
- b) During the year, the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable.
- c) During the year, the company has not disposed off substantial part of the fixed assets and the going concern status of the company has not been affected.

(ii) Inventories

During the year the management has conducted physical verification of inventories of Jathropa plants at regular intervals.

(iii) Loans & Advances either granted or taken

- (i) The Company has not granted any loans, secured or unsecured from the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provision of clauses 4(iii) (b) to (d) of the order is not applicable.
- (ii) The Company has not taken any loans, secured or unsecured from the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provision of clauses 4(iii) (f) and 4(iii) (g) of the order are not applicable.

(iv) Internal Controls

In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, in respect of inventory and fixed assets and we have not come across any major weakness in internal control prevailing in the Company.

(v) Transactions covered by Section 301

In our opinion, the Company has not entered into transactions with the parties referred to in section 301 of the Act. Accordingly the provision of this clause is not applicable.

(vi) Public Deposits

During the year, the Company has not accepted any deposits from the public under the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58-AA or any other relevant provisions of the Companies Act, 1956.

(vii) Internal Audit

The Company does not have formal internal audit system as the same is not applicable.

(viii) Cost Records

The Central Government has not prescribed maintenance of cost records under clause (d) of section (1) of section 209 of the Companies Act, 1956. Accordingly this clause is not applicable.

(ix) Statutory Dues:

- a) According to information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Income tax with the appropriate authorities. As per the information made available to us and based

on the records verified by us, there were no undisputed dues outstanding for a period of more than six months as at 31st March 2010 from the date they became payable.

As explained to us, the statutes pertaining to Investor Education and Protection Fund, Sales Tax, Excise Duty, Customs Duty, ESIC, Wealth Tax and Cess are not applicable to the Company during the year under review.

- b) As per the records and based on the explanations given to us, there are no disputed statutory dues pending to be deposited by the Company as at the close of the year.

(x) Accumulated Losses

The Company has accumulated losses as at the end of the financial year, and has it incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.

(xi) Dues to Financial Institutions/Banks

As per the records verified by us and based on our audit procedures we are of the opinion that the Company has not defaulted in repayment of dues to Financial Institutions or banks.

(xii) Loans against pledge of Securities

According to the information and explanations given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) Chit fund or nidhi/mutual benefit fund

The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) Trading in shares, securities, debentures and other investments

In our opinion, the Company does not deal or trade in shares, securities and debentures. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) Guarantees given

As per the records verified by us and based on the explanations given to us, during the year the Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions, whereof, are in our opinion prejudicial to the interest of the Company.

(xvi) Application of Funds raised

According to the information and explanation given to us, in our opinion, no term loans were raised during the year under review.

(xvii) Preferential Allotments of Securities

During the year the Company has not made any preferential allotment.

(xviii) Security against Debentures

As per the records verified by us, the Company did not have any outstanding debentures during the year.

(xix) Frauds

As per the records verified by us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For Malpani & Associates
Chartered Accountants
Sd/-

Shyam Malpani
Proprietor
Membership No. F- 34171

Place : Mumbai
Date : 23rd August 2010.

BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rs.)

Particulars	Schedule	As at 31st March 2010	As at 31st March 2009
Sources of Funds			
Shareholders' Funds			
Share Capital	1	500,000	500,000
Share Application Money received		6,238,254	-
		6,738,254	500,000
Application of Funds			
Fixed Assets	2		
Gross Value		209,390	209,390
Less: Depreciation		53,373	30,108
Net		156,017	179,282
Current Assets, Loans & Advances	3	281,533	311,922
Less: Current Liabilities & Provisions	4	48,388	6,320,625
Net Current Assets		233,145	(6,008,703)
Miscellaneous Expenditure (to the extent not written off or adjusted)		-	11,503
Profit And Loss Account		6,349,092	6,317,918
		6,738,254	500,000

Significant Accounting Policies and

Notes on Accounts: Schedule -5

As per our attached report of even date

For **Malpani & Associates**

Chartered Accountants

Sd/-

Shyam Malpani

Proprietor

Place : Mumbai

Date : 23rd August 2010

For and on behalf of the Board

Sd/-

V.K.Jain

Director

Sd/-

Rekha Jagdale

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs.)

Particulars	Year Ended 31st March 2010	Year Ended 31st March 2009
Income		
Credit Balance Written Back	41,182	-
Total	41,182	-
Expenditure		
Advertisement	-	15,000
Audit Fees	3,530	3,530
Conveyance	-	392,040
Cultivation Charges	-	38,161
Depreciation	23,265	23,928
Hotel, Boarding & Lodging	-	46,100
Labour Charges	-	122,150
Manure	-	30,200
Motor Car Expenses	-	186,667
Preliminary Expenses Written Off	11,503	1,278
Pre-Operative Expenses Written Off	-	34,744
Printing & Stationery	-	21,461
Profession Tax	2,500	2,500
Professional Charges	-	28,526
Rent	-	219,667
Telephone Charges	-	23,929
Travelling Expenses	-	169,760
General Expenses	11,650	1,491,362
Pre-Operative expenses no longer required written off	-	3,228,304
Provision for doubtful advances	19,908	-
Total	72,356	6,079,307
Profit / (Loss) before tax	(31,174)	(6,079,307)
Provision for Taxation	-	-
Fringe Benefit Tax	-	46,906
Profit / (Loss) after Taxation	(31,174)	(6,126,213)
Balance brought forward	(6,317,918)	(191,705)
Balance carried to Balance Sheet	(6,349,092)	(6,317,918)
Earnings/ (Loss) Per Share Basic & Diluted	(0.62)	(122.52)

Significant Accounting Policies and
Notes on Accounts: Schedule -5
As per our attached report of even date

For **Malpani & Associates**
Chartered Accountants

Sd/-

Shyam Malpani
Proprietor

Place : Mumbai

Date : 23rd August 2010

For and on behalf of the Board

Sd/-

V.K.Jain
Director

Sd/-

Rekha Jagdale
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs.)

Particulars	Year Ended 31st March 2010	Year Ended 31st March 2009
Cashflow from Operating Activities		
Net profit (Loss) before Tax and Extraordinary Items	(31,174)	(6,079,307)
Adjustments for :-		
Preliminary Expenses Written Off	11,503	1,278
Depreciation	23,265	23,928
Prior Period adjustment	-	-
Operating Profit Before Working Capital Changes	3,594	(6,054,101)
Adjustments for :-		
Loans and Advances	22,629	119,576
Trade Payables	(6,272,237)	2,670,460
Cash generated from/(Used) in operations	(6,246,015)	(3,264,065)
Direct Tax Paid	-	(46,906)
Net cash flow/(used) In Operating Activities Total (A)	(6,246,015)	(3,310,971)
Cashflow from investing Activities		
Sale / Purchase of Fixed Assets	-	(71,562)
Pre - operative Expenses/deferred revenue expenses	-	3,135,415
Net cash flow/(used) in Investing Activities Total (B)	-	3,063,853
Cashflow from Financing Activity		
Share Application Money received	6,238,254	-
Net Cashflow/(used) from Financing Activities Total (C)	6,238,254	-
Net Increase / (Decrease) In Cash & Cash Equivalents Total (A + B + C)	(7,761)	(247,118)
Cash & Cash Equivalents - Opening Balance	147,184	394,301
Cash & Cash Equivalents - Closing Balance	139,423	147,183

As per our attached report of even date

For **Malpani & Associates**
Chartered Accountants

Sd/-

Shyam Malpani
Proprietor

Place : Mumbai

Date : 23rd August 2010

For and on behalf of the Board

Sd/-

V.K.Jain
Director

Sd/-

Rekha Jagdale
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET : 31ST MARCH, 2010

(Amount in Rs.)

Particulars	As at 31st March 2010	As at 31st March 2009
Schedule - 1		
Share Capital		
Authorised Capital:		
50,000 Equity Shares of Rs. 10/- each	500,000	500,000
Issued, Subscribed & Paid Up		
50,000 Equity Shares of Rs. 10/- each fully paid up	500,000	500,000
Schedule - 3		
Current Assets, Loans & Advances		
a) Current Assets		
(i) Inventories		
(as taken, valued and certified by a director)	141,500	141,500
(ii) Cash & Bank Balances		
Cash in hand	100,235	102,073
Balances with scheduled banks in Current Account	39,188	45,111
b) Loans & Advances		
Advances Recoverable in cash or in kind (Unsecured, considered good)	610	23,238
Advances considered doubtful of recovery	19,908	-
Less : Provision for doubtful recovery	(19,908)	-
Total	281,533	311,922
Schedule - 4		
Current Liabilities & Provisions		
Sundry Creditors for expenses	44,858	43,531
Other Liabilities	3,530	6,277,094
Total	48,388	6,320,625



SCHEDULES FORMING PART OF THE BALANCE SHEET : 31ST MARCH, 2010

Schedule - 2 Fixed Assets :										Amount in Rs.	
Particulars	Gross Block			Depreciation			Net Block				
	AS AT 1st April 2009	Additions During The Period	AS AT 31st Mar. 2010	UP TO 1st April 2009	Provided For The Period	Adj- ustments	UP TO 31st Mar. 2010	As At 31st Mar. 2010	As At 31st March 2009		
Computers	114,500	-	114,500	24,465	18,561	-	43,026	71,474	90,035		
Machinery	78,868	-	78,868	3,870	3,744	-	7,614	71,254	74,998		
Furnitures & Fittings	15,147	-	15,147	898	960	-	1,858	13,289	14,249		
Tools & Equipments	875	-	875	875	-	-	875	-	-		
Total	209,390	-	209,390	30,108	23,265	-	53,373	156,017	179,282		
Previous Year	137,828	71,562	209,390	6,180	23,928	-	30,108	179,282	-		



Schedule - 5

Significant Accounting Policies and Notes on Accounts

I. Significant Accounting Policies

1. Basis of preparation of financial statements

The Financial statements have been prepared on accrual basis, except otherwise stated, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the Accounting standards as referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the power conferred under the sub-section (i) (a) of Section 642 and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated.

3. Fixed Assets:

Fixed Assets are stated at cost, which includes acquisition or construction cost as well as apportioned cost less accumulated depreciation.

4. Depreciation:

Depreciation has been provided on Fixed Assets at the rates and in the manner prescribed in Schedule XVI to the Companies Act, 1956, on Straight Line Method.

5. Inventories

Inventories, as taken valued and certified by one of the Directors, are valued at lower of the cost and estimated net realisable value.

6. Taxation:

Provision for Taxation is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income Tax Act, 1961.

II. Notes on Accounts

1. The Company is wholly owned subsidiary where the Entegra Ltd., entire paid-up share capital of the Company is held by the said Company.
2. Keeping in view the fact that there were no employees with the Company during the year, no provision towards gratuity has been considered in the accounts.
3. Amounts due to Small, Micro and Medium Enterprises under the head Current Liabilities, based on the information available with the Company and relied upon by the auditors Nil (Previous Year Nil).

4. Earnings / (Loss) Per Share:

Particulars	Current Year	Previous Year
Amount used as numerator - Net Profit After Tax (Rs.)	(31,174)	(61,26,213)
No. of Equity Shares used as denominator (Nos.)	50000	50000
Nominal value per Equity Share (Rs.)	10	10
Earning / (Loss) Per Share (Basic and Diluted) (Rs.)	(0.62)	(122.52)

5. Related Party Disclosures

(A) Names of the related parties and nature of relationship which exists: -

i. Associates

- MW Infra Developers Pvt. Ltd.
- Shree Maheshwar Hydel Power Corporation Ltd.
- Dasna Developers Pvt. Ltd.
- MW Corp Pvt. Ltd.

ii. Holding Company

- Entegra Ltd.

iii. Key Managerial Personnel

- Shri.V. K. Jain
- Smt. Rekha Jagdale

(B) Related party transactions:

(Rs. In Lacs)

Nature of transaction	Holding Company	Associates	Key Managerial personnel
Current Liabilities	0.43 (27.76)	Nil (Nil)	Nil (Nil)
Share Application Money received	62.38 (Nil)	Nil (Nil)	Nil (Nil)
Advances Recovered	Nil (Nil)	Nil (1.02)	Nil (Nil)
Closing Balance (Dr)	Nil (Nil)	0.00 (Nil)	Nil (Nil)
Closing Balance (Cr)	62.38 (62.10)	Nil (Nil)	Nil (Nil)

Notes:

- Related party relationships have been identified by the management and relied upon by the auditors.
- Figures in brackets represent those of the previous year.

- Since the Company is exploring new energy projects, it is not possible to ascertain segments under Accounting standard 17. Hence no Segment Reporting applicable during the year.
- Previous Year's figures have been regrouped/ rearranged wherever considered necessary.

8. Information pursuant to Part - IV of Schedule VI to the Companies Act 1956:

I. Registration details

Registration No.	11- 101018
State Code	11 (Maharashtra)
Balance Sheet Date	31st March 2010

II. Capital raised during the year
(Amount Rs' 000)

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Initial Subscription	NIL

III. Position of Mobilisation and Deployment of Funds
(Amount Rs' 000)

Total Liabilities	6738.25
Total Assets	6738.25

(A) SOURCES OF FUNDS

Paid up Capital	500.00
Share Application Money	6,238.25
Reserves & Surplus	Nil
Secured Loans	Nil
Unsecured Loans	Nil

(B) APPLICATION OF FUNDS

Net Fixed Assets	156.02
Investments	Nil
Net Current Assets	233.14
Misc. Expenditure	Nil
Profit & Loss Account	6349.09

IV. Performance of Company

Turnover	41.18
Total Expenditure	72.36
Profit/(Loss) before Taxation	(31.17)
Tax	Nil
Profit/(Loss) After Taxation	(31.17)
Earnings per share (annualised)	(0.62)
Dividend	Nil

V. Generic Names of Principal Products of Company

Item Code no. (ITC Code)	Not Applicable
Product Description	Not Applicable

For and on behalf of the Board

Place : Mumbai
Date : 23rd August 2010.

Sd/-
V.K.Jain
Director

Sd/-
Rekha Jagdale
Director



NEVAA SOLAR POWER COMPANY PRIVATE LIMITED FINANCIAL STATEMENT



BOARD OF DIRECTORS

Mr. Mukul Kasliwal
Director

Mr. Vijendra Kumar Jain
Director

AUDITORS

M/S MALPANI & ASSOCIATES
Chartered Accountants
307, Chartered House, Marine Lines
Mumbai 400002.

REGISTERED OFFICE

Niranjan, “99”
Marine Drive, Near Marine Lines Station,
Mumbai 400 021.

CORPORATE OFFICE

4th Floor,
Harchandrai House,
Marine Lines (East),
Mumbai 400002.

DIRECTORS' REPORT

The Members,

Your Directors are pleased to present the 1st Annual Report and Audited Annual Accounts for the year ended on 31st March, 2010.

FINANCIAL HIGHLIGHTS:-

During the year under review no business activities were undertaken.

DIVIDEND

Your Directors do not recommend any Dividend.

DIRECTOR

Mr. Mukul S. Kasliwal & Mr. V. K. Jain has been appointed as first Director of the Company.

FIXED DEPOSITS

The company has not invited or accepted any public deposits during the period.

AUDITORS AND THEIR REPORT

M/s. Malpani & Associates, Chartered Accountants, auditors of the company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The qualification in the Auditors Report and explanations in the notes to accounts is self explanatory.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the provisions of the Companies (Particulars of Employees) Rules, 1975, as amended, regarding the employees, is presently not required to be disclosed in respect of any employee of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- (ii) Your Directors have selected such accounting policies and applied them consistently and made judgements 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 the end of the financial year and of the preoperative expenses of the company for the year.
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing / detecting fraud and other irregularities.
- (iv) Your Directors have prepared the attached Statement of Accounts for the year ended 31.03.2010 on a going concern basis.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are not applicable to the Company. Further during the year Foreign Exchange earnings and outgo was NIL.

ACKNOWLEDGMENT

The Directors wish to place on record their gratitude to the advisors for their timely assistance and also place on record their appreciation for the wholehearted and continuing support extended by the shareholders.

By order of the Board
For NEVAA SOLAR POWER COMPANY PRIVATE LIMITED

Place: Mumbai
Date: 23rd August, 2010

Sd/-
DIRECTOR

Auditors' Report

The Members

Nevaa Solar Power Company Private Limited

1. We have audited the attached Balance Sheet of **Nevaa Solar Power Company Private Limited**, as at 31st March 2010 and the Profit and Loss Account statement 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. In our opinion and as per the information and explanations given to us, the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order, to the extent applicable to the company during the year under review.
4. Further, we report that:
 - i. 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;
 - ii. 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;
 - iii. The Balance Sheet, Profit and Loss Account, dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet and Profit and Loss Account Statement dealt with by this report comply with the Accounting Standards referred in sub section (3C) of section 211 of the Companies Act, 1956 to the extent applicable.
 - v. On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of directors is disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes on Accounts in **Schedule 3**, 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:
 - a) In case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010; and
 - b) In case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date;

For Malpani & Associates
Chartered Accountants

Sd/-

Shyam Malpani
Proprietor

Membership No. F- 34171

Place : Mumbai
Date : 23rd August 2010

BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	Schedule	As at 31-03-2010 Amount (Rs.)
<u>Sources of Funds</u>		
<u>Shareholder's Funds</u>		
Share Capital	1	100,000
Total		100,000
<u>Application of Funds</u>		
<u>Current Assets, Loans & Advances</u>		
Current Assets - Cash in hand		100,000
		100,000
<u>Less: Current Liabilities & Provisions</u>	2	
Current Liabilities		30,030
		30,030
<u>Net Current Assets</u>		69,970
Profit & Loss Account		30,030
Total		100,000

Significant Accounting Policies and

Notes on Accounts

Schedule -3

As per our attached report of even date

For **Malpani & Associates**

Chartered Accountants

For and on behalf of the Board

Sd/-
Shyam Malpani
Proprietor

Sd/- Sd/-
Mukul S. Kasliwal V.K. Jain
Director Director

Place : Mumbai

Date : 23rd August 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

Particulars	Year Ended 31.03.2010 Amount (Rs.)
INCOME	-
Total	-
EXPENDITURE	
Audit Fees	11,030
Roc filing fees	19,000
Total	30,030
Profit / (Loss) before tax	(30,030)
Less: Provision for Taxation	-
Profit / (Loss) after Taxation	(30,030)
Balance brought forward carried to Balance Sheet	(30,030)
Earnings/ (Loss) Per Share Basic & Diluted	(3.00)

Significant Accounting Policies and

Notes on Accounts

Schedule -3

As per our attached report of even date

For **Malpani & Associates**

Chartered Accountants

For and on behalf of the Board

Sd/-
Shyam Malpani
Proprietor

Sd/- Mukul S. Kasliwal Director	Sd/- V.K.Jain Director
---	--

Place : Mumbai

Date :23rd August 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET 31ST MARCH, 2010.

Particulars	As at 31-03-2010 Amount (Rs.)
<u>SCHEDULE - 1</u>	
<u>Share Capital</u>	
<u>Authorised :</u>	
10,000 Equity Shares of Rs. 10/- each	100,000
<u>Issued,Subscribed and Paid Up:</u>	
10,000 Equity Shares of Rs. 10/- each fully paid up	100,000
	100,000
<u>SCHEDULE -2</u>	
<u>Current Liabilities and Provisions</u>	
Sundry Creditors for expenses	11,030
Other current Liabilities	19,000
	30,030

Nevaa Solar Power Company Private Limited
Schedule - 3.
Significant Accounting Policies and Notes on Accounts 31st March 2010.
I. Significant Accounting Policies
1. Basis of Preparation of Financial Statements

The Financial statements have been prepared on accrual basis, except wherever otherwise stated, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards as referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of power conferred under sub-section (i) (a) of section 642 and the relevant provisions of the Companies Act, 1956.

2. Provision, Contingent Liabilities and Contingent Assets

Provision is made based on a reliable estimate, when it is a probable that an outflow of resources embodying economic benefit will be required to settle an obligation, Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognised or disclosed in the financial statements.

II) Notes to Accounts:

1. The Company was incorporated on 10th November 2009. Hence the accounts have been prepared from 10th November 2009 to 31st March 2010. This being the first year of the Company, no previous years figures are applicable.
2. The entire Equity Capital of the Company of 10000 Equity Shares of Rs.10/- each is held by Entegra Limited by virtue of which the Company has become a wholly owned subsidiary of the said Company.
3. There were no dues to Micro, Small and Medium Industrial undertaking during the year under review.
4. Additional information as required under Part IV of Schedule VI to the Companies Act, 1956 Not Applicable during the period under review.
5. Information pursuant to Part - IV of Schedule VI to the Companies Act 1956- Balance Sheet Abstract and Company's General Business Profile:

(i) Registration Details

Registration No.	11 196993
State Code	11 (Maharashtra)
Balance Sheet Date	31.03.2010

(ii) Capital Raised during the year

	Amount (in '000)
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil

(iii) Position of Mobilisation and Deployment of Funds

	Amount (in '000)
Total Assets	100
Total Liabilities	100


(a) Sources of Funds

Paid-up Capital	100
Share Application Money	Nil
Reserve & Surplus	Nil
Secured Loans	Nil
Unsecured Loans	Nil

(b) Application of Funds

Net Fixed Assets	Nil
Investments	Nil
Net Current Assets	70
Profit and Loss Account	30

(iv) Performance of Company

Turnover / Operational Income	Nil
Total Expenditure	30
Profit/(Loss) Before Taxation	(30)
Profit/(Loss) After Taxation	(30)
Earnings/(Loss) per share (Rs.)	(3.00)
Dividend	Nil

(V) Generic Names of Principal Products of Company

Item Code no. (ITC Code)	Not Applicable
Product Description	Not Applicable

For and on behalf of the Board

Place : Mumbai

Date : 23rd August 2010

Sd/-	Sd/-
Mukul S. Kasliwal	V.K. Jain
Director	Director

CONSOLIDATED FINANCIAL STATEMENTS**Auditors' Report**

To
The Board of Directors of Entegra Limited

We have audited the attached Consolidated Balance Sheet of Entegra Limited ("the Company") and its subsidiaries (hereinafter collectively referred to as "the Group") as at 31 March 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (hereinafter collectively referred to as the "consolidated financial statements"). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.
2. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 26,507,229,837 as at 31 March 2010 and net cash outflows amounting to Rs. 297,280,869 for the year ended on that date. Those financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us, and our opinion is based solely on the reports of the other auditors.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard ('AS') 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations given to us the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of Consolidated Balance sheet, of the state of affairs of the Group as at 31 March 2010,
 - (ii) in the case of the Consolidated Profit and Loss Account, of the loss for the year ended on that date and,
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Walker, Chandio & Co**
Chartered Accountants
Firm Registration No: 001076N

Sd/-
per **Khushroo B. Panthaky**
Partner
Membership No: F - 42423

Place: Mumbai
Date: 23 August 2010

For **Malpani & Associates**
Chartered Accountants
Firm Registration No: 120438W

Sd/-
Shyam Malpani
Proprietor
Membership No: F - 34171

Place: Mumbai
Date: 23 August 2010

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

(Amount in Rs.)

Particulars	Schedule	As at 31 March 2010	As at 31 March 2009
SOURCES OF FUNDS			
Shareholders' funds:			
Share capital	1	2,425,290,710	1,018,590,710
Merger consideration pending allotment of shares		-	2,554,013,060
Reserves and surplus	2	1,873,634,251	880,790,884
		4,298,924,961	4,453,394,654
Minority Interest		1,075,586,000	1,075,586,000
Loan funds:			
Secured loans	3	21,717,802,325	13,211,952,352
Unsecured loans	4	2,387,753,000	4,562,753,000
		24,105,555,325	17,774,705,352
Deferred tax Liabilities, net		-	322,424
Total		29,480,066,286	23,304,008,430
APPLICATION OF FUNDS			
Goodwill on consolidation		3,235,786,000	3,235,786,000
Fixed assets:	5		
Gross block		209,807,754	200,017,374
Less: Depreciation and amortisation		53,172,590	47,035,475
Net block		156,635,164	152,981,899
Capital work in progress including capital advances		12,355,869,530	8,476,097,044
		12,512,504,694	8,629,078,943
Pre operative expenses (pending allocation)	6	12,399,819,637	10,025,785,270
Investments	7	128,500	128,500
Premium paid on purchase of OFCD's of a Subsidiary [Refer Note 5.5 of Schedule 18]		887,479,337	-
Current assets, loans and advances:			
Inventories	8	1,123,744	376,614
Sundry debtors	9	72,918,803	874,649,152
Cash and bank	10	738,375,191	1,021,493,152
Loans and advances	11	1,223,135,075	2,132,139,993
		2,035,552,813	4,028,658,911
Less: Current liabilities and provisions:			
Current Liabilities	12	1,451,493,699	2,457,263,101
Provisions	13	161,113,354	158,177,597
		1,612,607,053	2,615,440,698
Net current assets		422,945,760	1,413,218,213
Miscellaneous expenditure (to the extent not written off or adjusted)	14	-	11,504
Profit and Loss Account		21,402,358	-
Total		29,480,066,286	23,304,008,430

Significant Accounting Policies and Notes to the Consolidated Financial Statements 18

For and on behalf of the Board

Schedules referred to above form an integral part of the financial statements

As per our attached Report of even date

For **Walker, Chandio & Co**
Chartered Accountants

For **Malpani & Associates**
Chartered Accountants

Sd/-
Mukul S. Kasliwal
Chairman

Sd/-
V. K. Jain
Managing Director

Sd/-
Khushroo B. Panthaky
Partner

Sd/-
Shyam Malpani
Proprietor

Sd/-
Rekha Jagdale
President &
Company Secretary

Sd/-
D. M. Gupta
Sr. Vice President
(Accounts & Finance)

Place : Mumbai
Date : 23 August 2010

Place : Mumbai
Date : 23 August 2010

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Amount in Rs.)

Particulars	Schedule	Year ended 31 March 2010	Year ended 31 March 2009
INCOME			
Income from operations		16,328,936	908,088,205
Other income	15	17,254,252	151,160,356
Increase in inventories		747,131	235,114
Total		34,330,319	1,059,483,675
EXPENDITURE			
Purchases		11,436,031	891,925,124
Direct expenses		716,579	190,511
Operative expenses	16	57,831,825	37,892,233
Interest and other finance charges	17	100,240,634	39,904,134
Depreciation		488,747	475,053
Preliminary expenditures written off		11,503	1,887,013
Provision for doubtful debts		5,252,621	-
Sundry balances written off		13,748,489	72,286
Pre operative expenses no longer required		-	76,856,902
Prior period adjustments		358,961	4,207,614
Total		190,085,390	1,053,410,870
Profit / (loss) before tax		(155,755,071)	6,072,805
Exceptional Items		-	-
Less: Provision for taxation			
Current tax		-	1,500,000
Deferred tax		(322,423)	40,070
Fringe benefit tax		-	565,906
Profit / (loss) after tax		(155,432,648)	3,966,829
Balance brought forward		134,030,290	130,063,461
Surplus carried to balance sheet		(21,402,358)	134,030,290
Basic Earnings per share		(1.45)	0.05
Diluted Earnings per share		(1.45)	0.02

Significant Accounting Policies and Notes to the Consolidated Financial Statements 18

Schedules referred to above form an integral part of the financial statements

As per our attached Report of even date

For **Walker, Chandio & Co**
Chartered Accountants

For **Malpani & Associates**
Chartered Accountants

For and on behalf of the Board

Sd/-

Mukul S. Kasliwal
Chairman

Sd/-

V. K. Jain
Managing Director

Sd/-

Khushroo B. Panthaky
Partner

Place : Mumbai
Date : 23 August 2010

Sd/-

Shyam Malpani
Proprietor

Place : Mumbai
Date : 23 August 2010

Sd/-

Rekha Jagdale
President &
Company Secretary

Sd/-

D. M. Gupta
Sr. Vice President
(Accounts & Finance)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Amount in Rs.)

Particulars	Schedule	Year ended 31 March 2010	Year ended 31 March 2009
Net profit/(loss) before tax and extraordinary items		(155,755,070)	6,072,805
Adjustments for:			
Depreciation/Amortisation		488,747	475,053
Preliminary expenses written off		11,503	-
Deferred revenue expenses written off		-	1,447,697
Share issue expenses written off		-	2,563,200
Interest and financial charges		100,240,534	18,408,986
Interest income		(4,437,161)	(2,638,437)
Provision for doubtful advances		5,232,713	-
Provision for leave travel allowance		646,040	-
Sundry balances written off		13,740,119	-
Foreign exchange fluctuation		(7,922)	-
Provision for leave encashment and gratuity		432,769	-
Sundry balances written back		(12,390,436)	-
Miscellaneous income		(18,135)	-
Write back of interest on loan (MPSIDC)		-	(147,819,320)
Operating profit before working capital changes		(51,816,298)	(121,490,016)
Adjustments for working capital changes			
(Increase)/decrease in Inventory		(747,130)	-
Trade and other receivables		787,350,090	(116,618,965)
Trade payables		(773,256,848)	(76,410,381)
Cash generated from operations		(38,470,186)	(314,519,362)
Taxes Paid (net of interest on income tax refunds)		(129,000)	(13,310,508)
Net cash flow from/(used) in operating activities	Total (A)	(38,599,186)	(327,829,870)
Cashflow from investing activities			
Purchase of fixed assets		(426,182)	-
(Increase)/decrease in Pre-operative expenses		(2,238,336,166)	(2,054,534,257)
Adjustment for			
Depreciation		6,482,349	5,725,288
Interest & Other Financial Expenses		1,894,086,201	1,649,122,710
(Gain)/Loss From Foreign Exchange Fluctuations		(25,076,520)	109,261,980
Adjustment for movement in working capital			
Increase/(Decrease) in Sundry Creditors & Other Payables		(189,994,507)	672,653,913
(Increase) / Decrease in Loans & Advances		58,173,797	(27,633,860)
(Increase) / Decrease in Material in Transit		19,110,516	(18,047,476)
Purchase/Disposal of Fixed Assets		(10,200,394)	(4,534,303)
(Increase) / Decrease in Capital Advances		667,520,137	(251,014,806)
(Increase) / Decrease in Capital WIP		(3,998,073,508)	(3,116,687,958)
(Increase)/decrease in Closing Stock		-	(235,114)
Sale of fixed assets		7,500	-
Pre - operative expenses/deferred revenue expenses		-	80,857,870
Investment sold		-	3,000
Investment purchased		(3,062,479,337)	-
Net cash flow in investing activities	Total (B)	(6,879,206,114)	(2,955,063,013)
Cashflow from financing activity			
Loans and advances received back/(given)		199,667,190	(13,625,756)
Share issue expenses		(20,439,402)	-
Share Application money received		-	1,065,685,891
Security premium		-	97,914,632
Interest and finance charges paid		(1,970,454,906)	(1,698,998,227)
Interest Income		-	2,638,437
Proceeds from loans		10,475,976,093	3,081,354,129
Payment of loans		(2,050,061,636)	-
Net cashflow from financing activities	Total (C)	6,634,687,339	2,534,969,106
Net decrease in cash & cash equivalents	Total (A+B+C)	(283,117,961)	(747,923,777)
Cash and cash equivalents - Opening balance		1,021,493,152	122,916,450
Cash acquired on merger		-	1,646,494,479
Cash and cash equivalents - Closing balance		738,375,191	1,021,487,152

For and on behalf of the Board

As per our attached Report of even date

For **Walker, Chandio & Co**
Chartered Accountants

Sd/-

Khushroo B. Panthaky
Partner

Place : Mumbai
Date : 23 August 2010

For **Malpani & Associates**
Chartered Accountants

Sd/-

Shyam Malpani
Proprietor

Place : Mumbai
Date : 23 August 2010

Sd/-

Mukul S. Kasliwal
Chairman

Sd/-

Rekha Jagdale
President &
Company Secretary

Date : 23 August 2010

Sd/-

V. K. Jain
Managing Director

Sd/-

D. M. Gupta
Sr. Vice President
(Accounts & Finance)

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31 MARCH 2010

	As at 31 March 2010	As at 31 March 2009
SCHEDULE - 1 SHARE CAPITAL		
Authorised:		
Equity share capital		
464,510,000 (P.Y. 110,000,000) Equity shares of Rs. 10 each	4,645,100,000	1,100,000,000
50,000 Equity Shares of Rs. 10/- each	-	
Preference Share Capital	5,360,000,000	
536,000,000 (P.Y. Nil) Preference shares of Rs. 10 each		
	10,005,100,000	1,100,000,000
Issued, subscribed and paid up		
106,859,071 (P.Y. 101,859,071) Equity shares of Rs. 10 each fully paid up	1,068,590,710	1,018,590,710
[Of the above: 69,478,601 (P.Y. 64,478,601) shares of Rs. 10 each, fully paid up are held by MW Infra Developers Private Limited , the holding company, 1,848,905 (P.Y. 1,801,338) shares of Rs. 10 each, fully paid up are held by MW Corp Private Limited, the ultimate holding company and;		
5,000,000 shares of Rs. 10 each, fully paid up were allotted to shareholders of SKG Power Ventures Private Limited in pursuance of, The Scheme of Merger, for consideration other than cash, as merger consideration (Refer Note 5.3 of Schedule 18)]		
135,670,000 (P.Y.-Nil) Compulsory Convertible Preference Share of Rs.10 each, fully paid up [Allotted to shareholders of SKG Power Ventures Private Limited in pursuance of, The Scheme of Merger, for consideration other than cash, as merger consideration (Refer Note 5.3 of Schedule 18). These shares are compulsorily convertible into equity shares in the ratio of 1:1, within a period of five years from date of allotment.]	1,356,700,000	-
	2,425,290,710	1,018,590,710
SCHEDULE - 2 RESERVES AND SURPLUS		
a. Reserves		
Securities premium account		
Opening balance	746,760,593	-
Add : Premium on issue of rights shares	-	762,884,895
Add : Premium on issue of Preference Shares [Refer Note 5.3 of Schedule 18]	1,106,532,756	-
Add : Premium on issue of Equity Shares [Refer Note 5.3 of Schedule 18]	40,780,304	-
	1,894,073,653	762,884,895
Less : Rights issue expense written off	-	16,124,301
Less : Share issue expenses written off [Refer Note 5.4 of Schedule 18]	20,439,402	-
Closing balance	1,873,634,251	746,760,594
b. Surplus		
Profit and Loss Account	-	134,030,290
	1,873,634,251	880,790,884

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31 MARCH 2010

	As at 31 March 2010	As at 31 March 2009
SCHEDULE - 3 SECURED LOANS		
From Banks:		
Vehicle loans [Repayable within one year Rs. 9.95 lakhs (P.Y. Rs. 9.56 lakhs)]	2,453,229	3,409,288
Long Term Loans [Repayable within one year Rs. Nil]	6,036,089,668	1,295,000,000
Short term loans [Repayable within one year Rs. 20,484.89 lakhs (P.Y. Rs. Nil)]	2,048,488,915	
Cash Credit facility	-	49,678,962
From Financial Institutions	9,812,211,430	7,643,313,605
Foreign currency term loans	-	507,003,450
Interest accrued and due [Refer Note 5.11 of Schedule 18]	394,349,599	211,736,659
Zero coupon bonds	3,424,209,484	3,501,810,388
	21,717,802,325	13,211,952,352
SCHEDULE - 4 UNSECURED LOANS		
Corporate deposits from State Financial Institution:		
(i) Madhya Pradesh State Industrial Development Corporation Limited* [Refer Note 5.6]	552,753,000	552,753,000
[Partly secured by pledge of 85.00 lakhs Equity shares of Rs. 10 each of Entegra Limited and 15.00 lakhs Equity shares of Rs. 10.00 each of Unitex Designs Limited held by an associate company]		
* including funded interest Rs. 2,937.29 Lakhs (P.Y. Rs.2,937.29 Lakhs)		
(ii) Payable to bodies corporate	10,000,000	10,000,000
Debentures		
i) 825 9.75% Optionally Fully Convertible Debentures of Rs. 1,000,000 each fully paid up	825,000,000	2,175,000,000
ii) 110 10.75% Convertible Debentures of Rs. 1,000,000 each fully paid up	110,000,000	935,000,000
iii) 890 10.75% Non Convertible Debentures of Rs. 1,000,000 each fully paid up	890,000,000	890,000,000
(all the above debentures are secured by default payment guarantee issued by Power Finance Corporation in favour of the trustees and second charge on pari passu basis on land situated at Ahmedabad amounting to Rs. 493,430)		
	2,387,753,000	4,562,753,000

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31 MARCH 2010

SCHEDULE - 5 FIXED ASSETS

(Amount in Rs.)										
Particulars	GROSS BLOCK			DEPRECIATION					NET BLOCK	NET BLOCK
	As At 1-Apr-09	Additions During The Year	Deductions During The Year	As At 31-Mar-10	As At 1-Apr-09	For The Year	Deduction/ Adjustments	Upto 31-Mar-10	As At 31-Mar-10	As At 31-Mar-09
Land - Freehold	58,759,123	-	-	58,759,123	-	-	-	-	58,759,123	58,759,123
Land - Leasehold	18,074,844	232,000	-	18,306,844	6,627,442	602,495	-	7,229,937	11,076,907	11,447,402
Building	70,065,220	-	-	70,065,220	14,155,811	1,141,702	-	15,297,513	54,767,707	55,909,409
Water Supply Installation	270,423	195,135	-	465,558	109,195	77,107	-	186,302	279,256	161,228
Electric Equipment & Installation	3,144,978	145,170	-	3,290,148	1,208,981	165,271	-	1,374,252	1,915,896	1,935,997
Internal Distribution Lines	11,661,500	6,531,100	-	18,192,600	4,915,529	700,961	-	5,616,490	12,576,110	6,745,971
Tools And Equipments	301,749	18,830	-	320,579	124,770	15,958	-	140,728	179,851	176,979
Computers	5,746,574	509,522	-	6,256,096	4,642,150	441,538	-	5,083,688	1,172,408	1,104,424
Office Equipments	3,440,538	279,257	92,413	3,627,382	1,030,306	190,262	18,215	1,202,353	2,425,029	2,410,232
Machinery	78,868			78,868	3,870	3,744	-	7,614	71,254	74,998
Furniture And Fixtures	6,527,027	174,360	16,875	6,684,512	3,956,531	451,896	14,664	4,393,763	2,290,749	2,570,496
Vehicles	21,946,530	2,843,390	1,029,096	23,760,824	10,260,890	3,180,162	801,102	12,639,950	11,120,874	11,685,640
TOTAL	200,017,374	10,928,764	1,138,384	209,807,754	47,035,475	6,971,096	833,981	53,172,590	156,635,164	152,981,899
PREVIOUS YEAR	196,162,406	4,893,404	1,039,311	200,016,499	41,514,469	6,199,466	679,335	47,034,600	152,981,899	-

CAPITAL WORK-IN-PROGRESS	31-Mar-10	31-Mar-09
DESIGN, ENGINEERING & CONSULTANCY	421,976,537	513,580,339
CIVIL WORKS	7,236,471,222	6,151,247,416
HYDROMECHANICAL WORKS	2,321,822,523	1,147,857,708
ELECTROMECHANICAL WORKS	2,166,830,126	436,429,926
PLANT & MACHINERY	207,500,722	206,602,739
MATERIAL IN TRANSIT	1,268,400	20,378,916
	12,355,869,530	8,476,097,044

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31 MARCH 2010

	As at 31 March 2010	As at 31 March 2009
SCHEDULE - 6 PRE OPERATIVE EXPENSES (PENDING ALLOCATION)		
[Refer Note 5.7 of Schedule 18]		
Opening balance	10,025,785,270	8,066,222,720
Add : Incurred during the Year		
Salary and other benefits	55,676,342	2,663,148
Conveyance	471,753	90,945
Filing fees	1,859,860	67,590
Legal and professional expenses	30,619,942	14,504,729
Power and fuel expenses	-	314,906
Motor car expenses (including fuel expenses)	6,443,587	5,514,355
Rent including lease rent	5,577,364	1,212,422
Prior period expenses	250,000	-
Telephone and mobile charges	2,222,500	2,484,029
Postage and courier expenses	2,487	-
Printing and stationery expenses	596,784	687,679
Tour and traveling expenses	16,634,381	11,175,481
Bank charges	11,747	64,094
Advertisement	943,756	810,605
Sundry balances written back	-	8,438
Electricity	-	2,692
Hotel, boarding and lodging	1,192,790	41,568
Business promotion expenses	3,372	2,909,789
Repairs and maintenance expenses	1,587,741	1,711,940
Donation	-	49,500
Conference fees	132,470	-
Project expenses	-	5,680
Credit card expenses	65,264	-
Entertainment	21,078	2,750
Exhibition expense	592	908
Insurance expenses	17,277,039	17,325,926
Internet expenses	26,708	-
Staff welfare expenses	16,055	48,264,373
Computer expenses	2,750	-
Franking and notary expenses	29,620	-
Gifts	20,000	-
Labour charges	400	-
Sundry expenses	5,123,388	-
Tender fees	1,000	-
Membership and subscription expenses	50,000	-
Miscellaneous expenses	-	3,905,114
Loss on foreign exchange fluctuation	-	109,261,980
Audit fees	893,430	616,974
Courtesy expenses	1,567,182	-
Director sitting fees	170,000	195,000
Rehabilitation and resettlement	353,772,532	288,473,258
Loss on sale of assets (Net)	16,675	117,520
Security expenses	2,633,626	2,030,034
Depreciation	6,482,349	5,725,288
Interest	1,725,593,097	1,642,436,833
Financial expenses including guarantee commission	168,493,103	-
Wealth tax	44,108	56,022
Fringe benefit tax	-	2,048,098
Sundry balances written off	4,453,337	-
Income from foreign exchange fluctuations	(25,076,520)	-
Miscellaneous receipt	(2,832,532)	-
Sundry balances written back	(131,540)	(635,996)
Interest on fixed deposits [TDS Rs.9,871,700 , P.Y. Rs.32,885,048]	(49,964,520)	(90,415,524)
Excess interest provision in earlier years written back	(94,638,932)	(40,537,000)
Interest and upfront fees capitalised	135,698,202	-
Less : Transferred to profit and loss account, as no longer required	-	(73,628,598)
	12,399,819,637	10,025,785,270

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31 MARCH 2010

	As at 31 March 2010	As at 31 March 2009
SCHEDULE - 7 INVESTMENTS (Long term, at cost)		
Non - Trade Investments		
Unquoted		
Investment in Government Securities		
9 (P.Y. 9) National Saving Certificates, VIII Issue	65,000	65,000
Investment in equity shares		
Janakalyan Sahakari Bank Limited	63,500	63,500
6,350 equity shares (P.Y. 6,350) of Rs. 10 each fully paid up		
	128,500	128,500
SCHEDULE - 8 INVENTORIES		
Closing stock of		
- components used for renewable energy projects	757,001	235,113
- civil construction material	225,243	-
- seeds and manure	141,500	141,501
	1,123,744	376,614
SCHEDULE - 9 SUNDRY DEBTORS (Unsecured, considered good except otherwise stated)		
Due for period exceeding six months*	68,195,531	760,459,432
Others	4,723,272	114,189,720
	72,918,803	874,649,152
(*of the above Rs.63,601,731 (P.Y.Rs.63,601,731) recoverable from Hindon River Mills Ltd. a party covered under section 370 (1B) of the Companies Act,1956) [Refer Note 5.14 of Schedule 18]		
SCHEDULE - 10 CASH AND BANK BALANCES		
Cash in hand	1,168,354	562,951
Foreign Currency in hand	100,926	-
In current accounts with scheduled banks	34,035,855	46,438,178
In fixed deposit with scheduled banks	703,070,056	974,492,023
(In lien with Rajasthan Renewable Energy Corporation Ltd. Rs. 275 lakhs)	-	-
	738,375,191	1,021,493,152
SCHEDULE - 11 LOANS AND ADVANCES (Unsecured, considered good except otherwise stated)		
Advances recoverable in cash or kind or for value to be received#		
- Considered good#	153,843,756	329,779,434
- Considered doubtful	9,509,788	4,257,167
Less : Provision	(9,509,788)	(4,257,167)
	153,843,756	329,779,434
Advance to supplier and other advances	600,406,384	1,271,739,118
Advance tax (net of provisions)	168,198,892	165,181,538
Deposits	266,826,114	270,391,960
Other current assets - Interest accrue on Fixed Deposits	33,859,929	95,047,943
	1,223,135,075	2,132,139,993
# of the above Rs.855,802/- (P.Y.Rs.1,362,819) recoverable from Hindon River Mills Ltd., Rs.39,881/- (P.Y.Rs.38,481) recoverable from Dasna Developers Pvt. Ltd., both parties covered u/s 370 (1B) of the Companies Act, 1956. [Refer Note 5.14 of Schedule 18]		

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31 MARCH 2010

	As at 31 March 2010	As at 31 March 2009
SCHEDULE - 12 CURRENT LIABILITIES		
Sundry creditors [Refer Note 5.19 of Schedule 18] [Other than those covered under Micro, Small and Medium Enterprises Development Act, 2006.]		
- For goods	338,754	429,337,443
- For expenses	30,052,207	31,135,967
- For Capital Goods	605,304,123	1,040,188,901
Payable to other bodies corporate of the same group [Refer Note 5.14 of Schedule 18]	97,513,878	349,012,605
Acceptances	-	99,287,040
Retention Money Payable	167,779,029	76,074,917
Advance received from customers	1,131,081	1,126,276
Other liabilities	346,027,828	207,271,058
Interest accrued but not due on unsecured loans	202,700,759	223,828,894
Leave travel allowance	646,040	-
	1,451,493,699	2,457,263,101
SCHEDULE - 13 PROVISIONS		
Income tax (net of advance payment)	141,620,531	142,831,254
Fringe benefit tax	5,119,145	6,284,816
Wealth tax	219,893	205,979
Gratuity	7,459,055	4,171,677
Leave encashment	6,694,730	4,683,871
	161,113,354	158,177,597
SCHEDULE - 14 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Deferred Revenue Expenditure		
Opening Balance	-	1,198,425
Add: Expenses taken over on account of merger with SKGPV	-	263,004
Less: Written off during the period	-	1,461,429
	-	-
Share Issue Expenses		
Opening Balance	-	2,563,200
Less: Written off during the period	-	2,563,200
	-	-
Right Issue Expenses		
Opening Balance	-	5,365,088
Add: Transferred during the period	-	10,759,214
Less: Written off during the period	-	16,124,302
	-	-
Preliminary Expenses		
Opening balance	-	11,504
Add: Expenses during the period	-	1,887,013
Less: Written off during the period	-	1,887,013
	-	11,504
Share Issue Expenses	-	-
	-	11,504
SCHEDULE - 15 OTHER INCOME		
Write back of interest on loan [Refer Note 5.6 of Schedule 18]	-	147,819,320
Interest received on bank FDR [TDS Rs.668,658 P.Y. Rs.544,601]	4,437,161	2,638,437
Credit balances written back	12,431,618	337,080
Miscellaneous receipts	385,473	365,519
	17,254,252	151,160,356

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31 MARCH 2010

	Year Ended 31 March 2010	Year Ended 31 March 2009
SCHEDULE - 16 OPERATIVE EXPENSES		
Advertisement	12,786,324	194,491
Auditors' remuneration	2,233,235	571,575
Business promotion expenses	847,159	81,444
Commission	274,450	114,565
Conveyance charges	1,839,982	2,955,222
Conference and seminar expenses	151,758	10,000
Electricity expenses	445,461	373,615
Exhibition expenses	388,569	371,098
Franking and notary expenses	749,550	80,720
Guest house expenses	2,067	191,188
Guarantee fees	1,539,726	-
Hotel boarding and lodging	1,529,762	669,342
Sales tax	119,424	909,809
Legal and professional charges	4,768,143	5,766,737
Listing fees and share transfer fees	431,620	367,043
Foreign exchange fluctuation	(7,922)	11,229
Motor car expenses	1,937,226	1,650,528
Office expenses	385,887	365,948
Other expenses	1,177,839	1,378,827
Printing and stationery expenses	806,629	478,741
Expenses on new venture	640,000	-
Postage and courier charges	652,786	288,558
Rent	4,561,106	5,235,525
Filing fees	57,980	9,700
Salaries, wages and bonus	12,130,556	9,763,983
Directors sitting fees	550,000	195,000
Directors remuneration	3,244,500	3,244,500
Gratuity	295,754	40,905
Leave encashment	321,230	-
Staff welfare expenses	148,745	155,941
Sundry expenses	137,144	128,521
Telephone and mobile charges	481,411	644,877
Tour and travelling expenses	2,203,724	1,642,601
	57,831,825	37,892,233
SCHEDULE - 17 INTEREST AND OTHER FINANCE CHARGES		
Interest		
On secured loans	86,604,723	8,912,333
On unsecured loans	407,720	21,495,148
On others	66,916	-
Upfront fees	12,384,210	55,473
Guarantee commission	579,075	1,461,675
Bank charges	197,990	7,979,505
	100,240,634	39,904,134

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Background information

Entegra Limited ("Entegra" or the "Company") was incorporated in 1995 as a private limited company. In 2000, the Company was converted into a public limited company. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Entegra Limited and its subsidiaries ('the Group') are engaged in the development of renewable energy projects. The Group has various ongoing energy projects which include construction of a 400 MW hydroelectric power project in Madhya Pradesh, a 10 MW concentrated solar thermal power project in Rajasthan and a 1 MW solar photo voltaic power project also in Rajasthan.

2. Basis of presentation

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the Accounting Standards notified in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable.

3. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual future period's results could differ from those estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

4. Principles of consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries, collectively referred to as "the Group"

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits in full as per Accounting Standard (AS) 21 "Consolidated Financial Statements" notified in the Companies (Accounting Standard) Rules, 2006. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase/ decrease in the reserves of the consolidated entities.

The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
Ennertech Biofuels Limited	India	100.00%
Shree Maheshwar Hydel Power Corporation Limited (SMHPCL)	India	68.73%
Nevaa Solar Power Company Private Limited (setup from 10 November 2009)	India	100.00%

All of the above entities follow uniform accounting policies, except for SMHPCL, which follows the written down value method of depreciation for certain assets.

4. Significant accounting policies

4.1. Revenue recognition

- i. Revenues from sales of goods are recognised on shipment or dispatch to customers and are recorded inclusive of value added taxes but do not include any sales returns.
- ii. Revenues from services rendered are recognized on completion of the service and are recorded exclusive of service tax.
- iii. Interest income on deposits with banks and investments is recognised on a time proportion basis.
- iv. Dividend incomes on investments are accounted for when the right to receive the payment is established.

4.2. Purchases

Purchases are shown inclusive of value added tax, wherever applicable.

4.3. Fixed assets and depreciation

Fixed assets are stated at cost of acquisition/construction including any cost attributable to bringing the assets to their working condition, less accumulated depreciation and impairment loss, if any.

Depreciation on fixed assets is provided on straight line method at the rates, except in case of SMHPCL, which follows written down value method of depreciation on 'Vehicles' and 'Computers', and in the manner prescribed in Schedule XIV of the Companies Act, 1956 and on pro-rata basis with reference to the month of additions/deductions.

Fixed assets having value lower than Rs. 5,000 are depreciated fully in the year of acquisition/installation. Premium paid for leasehold land is amortized over the period of the lease term.

In case of SMHPCL depreciation on fixed assets is charged to 'Pre operative expenses (pending allocation)'.

4.4 Expenditure during construction period

Expenditure during construction period reflects an element of capital work in progress and includes directly attributable costs that relate to the project and general and administration overheads as are specifically attributable the construction of the project. Such expenditure is included under 'Pre operative expenses (pending allocation)' and will be capitalized under relevant fixed asset accounts upon commencement of commercial generation of power.

4.5. Inventories

Inventories of components used for renewable energy projects have been valued at lower of cost or net realizable value. Civil construction material, seeds and manure are carried at cost.

4.6. Investments

Long term investments are stated at cost and provision is made to recognise any decline, other than temporary, in the value of such investments.

4.7. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions. Gains or losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency are recognised in the Profit and Loss Account except in case of SMHPCL where such gains or losses are charged to 'Pre operative expenses (pending allocation)'.

4.8. Employee benefits

i) Defined contribution plan

In accordance with the provisions of the employees provident fund regulations, eligible employees of the Group are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). The Group's contribution to provident fund is charged to the Profit and Loss Account except in case of SMHPCL where the contribution is charged to 'Pre operative expenses (pending allocation)'.

ii) Defined benefit plan

Gratuity

Employees in India are entitled to benefits under the Payment of Gratuity Act, 1972, a defined benefit retirement plan covering eligible employees of the Company. The Plan provides a lump-sum payment to eligible employees at retirement or on termination of employment. The gratuity benefit conferred by the Company on its employees is equal to or greater than the statutory minimum.

The Group provides for liability towards gratuity plan on the basis of actuarial valuation. The entire amount of gratuity is unfunded.

Compensated absences

The Group's liability towards compensated absences is determined on an actuarial basis for the entire unavailed vacation balance standing to the credit of each employee as at period-end.

In case of SMHPCL both Gratuity and Compensated absences liability are charged to 'Pre operative expenses (pending allocation)'.

4.9. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Eligible Borrowing costs in respect of SMHPCL is included in 'Pre-operative Expenditure (Pending allocation)'

4.10. Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss if any is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreases.

After impairment depreciation is provided on the revised carrying amount of the asset over its remaining useful life. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

4.11. Leases

In case of SMHPCL, operating lease payments for non-cancellable leases are recognized on lease term agreement basis over the lease term and such expenses are recognized in 'Pre operative Expenditure (Pending Allocation)'.

4.12. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders, compulsorily convertible preference shares and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4.13. Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required, and a reliable estimate can be made of the amount required to settle the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4.14. Income taxes

Income tax expense comprises current income tax and deferred tax.

Current taxes

Provision for current income-tax is recognised in accordance with the provisions of Indian Income Tax Act, 1961, and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the year that includes the enactment date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

5. Notes to the consolidated financial statements

5.1. Contingent liability and capital commitments

(Amounts in Rs. Lakhs)

Particulars	As at 31-Mar-10	As at 31-Mar-09
a) Claims against the company not acknowledged as debts	4,274.58	1,13,12.32
b) In respect of Demands raised, which are under appeal: Entry Tax	9.39	9.39
c) Letter of Credit for the import of capital items	Nil	438.78
d) Corporate guarantees given to the Banks/Financial Institutions against credit facilities	4,100.00	4,100.00
e) Bank guarantees	275.00	338.75

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) Rs. 49,643 Lakhs (Previous Year Rs. 67,676 Lakhs).

- 5.2 The 400 MW hydroelectric power project under implementation, includes land, residential/ commercial quarters etc. taken over from Madhya Pradesh State Electricity Board ('MPSEB') on 31 March 1996. Such assets had been provisionally accounted for in the accounts of the subsidiary SMHPCL, at the values determined by SMHPCL on the basis of information available from MPSEB, and were included in fixed assets, capital work in progress and pre-operative expenditure at Rs. 696.97 Lakhs, Rs. 533.08 Lakhs and Rs. 551.28 Lakhs respectively. However, there was a demand from MPSEB in the year 2005 for Rs. 13,093.65 Lakhs for the above assets taken over by SMHPCL. Accordingly, till the previous financial year 2008-09, the Group disclosed the differential amount of Rs. 11,312.32 Lakhs as a contingent liability.

The Government of Madhya Pradesh had appointed an independent valuer M/s Anil Dhope and Associates for valuation of assets transferred to the Company by MPEB. The appointed valuers have submitted a preliminary report to Government of Madhya Pradesh wherein they have arrived at the value of assets taken over by SMHPCL from MPEB at Rs. 4,274.58 Lakhs. The Government of Madhya Pradesh has circulated the preliminary report of the valuer for comments of SMHPCL. Pending submission of the final report, the group has shown this amount as a contingent liability in Note 5.1 of the Consolidated Financial Statements.

5.3. Issue of Equity shares and Compulsorily Convertible Preference Shares pursuant to the merger of SKG Power Ventures Private Limited ('SKGPV') with the Company

Pursuant to the Scheme of Merger of SKGPV with the Company, as approved by the shareholders in the Court-convened meeting held on 27 July 2009 and subsequently sanctioned by the Honourable High Court of Bombay on 25 September 2009, the assets and liabilities of SKGPV were transferred to and vested in the Company with effect from 1 April 2008, the appointed date of the merger. The scheme had accordingly been given effect to in the accounts of 31 March 2009. The amalgamation has been accounted for under the purchase method as prescribed by Accounting Standard (AS-14). Accordingly, the assets and liabilities of the SKGPV as at the aforementioned date have been taken over at their fair values and/or as specified in the scheme.

SKGPV was carrying on the hydel power generation business through its majority owed subsidiary, Shree Maheshwar Hydel Power Corporation Limited ("SMHPCL"). SMHPCL has undertaken setting of hydel power plant at West Nimar in District Khargone of Madhya Pradesh state.

Pursuant to the Scheme, the shareholders of the erstwhile SKGPV were allotted 500 (Five Hundred) Equity Shares of the face value of Rs. 10 (Rupees Ten each) at par and 13,567 (Thirteen Thousand, Five Hundred and Sixty Seven) Compulsorily Convertible Preference Share(s) (CCPS) of the face value of Rs. 10 (Rupees Ten each) at par of the Company credited as fully paid-up, for every 1 (One) Equity Share of the face value of Rs. 10 (Rupees Ten each) held in the share capital of SKGPV. Such shares were pending allotment till the end of the previous year as at 31 March 2009 and the consideration was shown as 'Merger consideration pending allotment' in the Consolidated Balance Sheet as at 31 March 2009.

In the current year, the Company has allotted 5,000,000 equity shares and 135,670,000 CCPS on December 14, 2009. The difference between the fair value of assets and liabilities of SKGPV taken over and face value of equity and preference shares allotted amounting to Rs. 11,473.13 Lakhs has been credited to the Securities Premium Account.

- 5.4 In order to issue additional shares as required by the Scheme, the Company has increased its 'Authorized Share Capital' from Rs.11,000 Lakhs to Rs.100,051 Lakhs, comprising of Equity shares of Rs.46,451 Lakhs and Preference shares of Rs.53,600 Lakhs. The Company has incurred Rs. 204.39 Lakhs for this increase and for issue of the additional shares in the period ended 31 March 2010 which has been adjusted against the Securities Premium Account.

5.5. Optionally Fully Convertible Debentures

In 2007, SMHPCL raised Optionally Fully Convertible Debentures ('OFCDs') amounting to Rs. 21,750 Lakhs @ 9.75% p.a. and Rs. 18,250 Lakhs @ 10.75% p.a. The debentures are redeemable at par in 22 equal half yearly instalments commencing from 4 years and 6 months, from the deemed date of allotment. The OFCDs are secured by an unconditional and irrevocable guarantee of Power Finance Corporation. Pending finalisation of the date of the commissioning of the project (December 2010) interest due to debenture holders for four years from date of issue has been kept in fixed deposits with various banks as per terms of issue.

SMHPCL will earn revenue only after the commissioning of the project. Hence the amount required to be transferred to Debenture Redemption Reserve as per Section 117C of the Companies Act 1956 will be made out of the profits thereafter.

The Parent Company has also acquired OFCDs of the total face value of Rs 21,750 Lakhs issued by SMHPCL from a Subscriber of the said debentures in the current year. As per agreement entered with Yes Bank Ltd., the Parent Company has paid Call premium on the option to purchase the said debentures. As on 31 March 2010, the Parent Company has exercised this option and has purchased the OFCDs from the Subscriber at an agreed value. The summary of costs of bonds capitalized as investment in the OFCDs in Parent Company's standalone books of account and their face value in books of the subsidiary are as under;

Particulars	Amount (in Rs. Lakhs)	Amount (in Rs. Lakhs)
	Cost to Parent	Facevalue of bonds issued by SMHPCL
1,350, 9.75% Optionally Fully Convertible Debentures	19,014	13,500
825, 10.75% Optionally Fully Convertible Debentures	11,610	8,250
	30,625	21,750

On consolidation, the investment of the Parent Company has been adjusted against the face value of the bonds and the excess of cost of investment over the face value of Rs 8,875 Lakhs has been shown separately in the Consolidated Balance Sheet of the Group as 'Premium paid on purchase of OFCD's of a Subsidiary'.

5.6. Update on matter related to settlement of liability with Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC)

The Company had originally accepted a One Time Settlement (OTS) from Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC) which has been communicated vide letter dated 3 July 2004. The Company had also made a payment of Rs. 2,209.76 Lakhs till 11 July 2006 towards such settlement. The outstanding liability towards MPSIDC recognized in the Consolidated Balance Sheet as on 31 March 2010 amounts to Rs. 5,527.53 Lakhs.

During the year ended 31 March 2010, the Company has continued to negotiate with MPSIDC for consideration of the Company's request to reschedule the repayment of the aforesaid liability. Based on these negotiations, the Company is confident of obtaining a waiver of past interest and a rescheduling of repayment of the balance amount of interest and principal outstanding. The Company expects that on finalization of these negotiations, the Company would be required to repay outstanding principal amount of Rs. 5,527.53 Lakhs and on the basis of the expected outcome, had written back interest accrued of Rs. 1,478.19 Lakhs as at 31 March 2009 and recognized this amount as a gain during year ended 31 March 2009.

As per the discussion of the State Level Committee Meeting held on 1 October 2009, the Company has already submitted a proposal for reschedulement of OTS dues of Rs. 5,527.53 Lakhs and offered Redeemable Cumulative Preference Shares ('RCPS') of SMHPCL proposing a return of 8% per annum for the settlement and given the above amount as Share Application Money on 27 January 2010 and 9 February 2010 to SMHPCL.

On 26 October 2009, MPSIDC, has communicated vide letter no. MPSIDC/ICD/ Recy/09/4487 to the Secretary, Energy Department, Government of Madhya Pradesh about the Company's proposal, asking for the Department's views confirming the availability of revenue to MPSIDC in lieu of its dues. Upon obtaining the Department's views, the State Level Committee constituted considered the Company's proposal for re-schedulement to be forwarded to the Madhya Pradesh Government.

In a recent development, the Company after obtaining a legal opinion from their solicitors, has filed an application with the Honourable Chief Minister of Madhya Pradesh vide a letter dated 2 March 2010, claiming relief under the May 2007 OTS scheme of MPSIDC, to which it becomes eligible. The claim, in the event of its acceptance, will result in the Company paying a lower rate of interest on the principal amount outstanding from the date of default. The application of a lower rate of interest as contemplated by the said scheme could potentially reduce the total liability in respect of such dues.

As on the date of the approval of these financial statements, a formal decision in respect of the Parent Company's above proposal is yet to be taken by the Madhya Pradesh Government. While a formal decision is awaited, MPSIDC continues to send periodic demand notices for the full amount of principal and interest accrued thereon.

5.7. Pre operative expenses (pending allocation)

Pre operative expenses (pending allocation) in the consolidated Balance Sheet of the Group represents directly attributable expenditure incurred by the Group in the current year for the ongoing construction of the 400 MW hydroelectric power plant and the Shree Maheshwar Dam in Madhya Pradesh and for a 10 MW Concentrated Solar Thermal Power Project (CSP) and 1 MW Solar Photo Voltaic (CSPV) in Rajasthan.

In the case of the SMHPCL (Shree Maheshwar Hydel Power Corporation Limited) no Profit and Loss Account has been prepared since the company is in the process of implementation of the project. The company has instead, prepared the 'Statement of Pre-operative Expenditure during Construction Period (pending allocation)'.

Expenditure capitalized as pre operative expenses consists of expenditure directly attributable to the project and general and administrative costs as are specifically attributable to the construction of the project. The Pre-operative expenses incurred during the construction period will be apportioned to relevant fixed assets account upon commencement of commercial generation of power, in accordance with the generally accepted accounting principles.

5.8. Capitalization of interest and upfront fees on loans taken by the Parent Company to Pre operative expenses (pending allocation)

The Company in the current year has taken loans from Central Bank of India (CBI), Yes Bank and State Bank of India (SBI). These loans were utilized by the Company for investment in the equity shares and OFCDs of SMHPCL. To the extent that the amounts were utilized by the Company for acquisition/construction of qualifying assets, the related interest and upfront fees paid represents 'Borrowing cost' within the meaning of borrowing costs as given under AS 16 'Borrowing costs' in the Companies (Accounting Standard) Rules, 2006.

Accordingly in the Consolidated Balance Sheet of the Group such expenditure amounting to Rs. 1,356.98 Lakhs has been added to Pre operative expenses (pending allocation).

- 5.9. SMHPCL has a policy of handing over construction materials to the civil contractors on receipt of the same at site in the case of cement and at collection points outside the site in the case of steel. The same has been consistently charged to respective capital assets under construction/work in progress, on acceptance by the contractors and relied upon by the auditors being a technical matter. However, the actual consumption of the construction material will be ascertained upon the completion of the construction work and adjustments, if any, will be effected in the year of completion
- 5.10. In the opinion of the Board, the current assets and loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities (except wherever otherwise stated) are adequate and not in excess of the amount reasonably necessary. Keeping in view the fact that the investments are of the long-term nature, no diminution in the book value of the said investments is considered during the year.

5.11. Secured loans

(Amounts in Rs.)

	Particulars	As at 31-Mar-10	As at 31-Mar-09
i)	From Financial institutions	9,812,211,430	7,643,313,605
ii)	Long Term Loans from banks		
	- Parent Company	2,660,000,000	-
	- Subsidiary (SMHPCL)	3,376,089,668	1,295,000,000
iii)	Foreign currency term loan	-	507,003,450
iv)	Zero coupon bonds	3,424,209,484	3,501,810,388
v)	Short term loans from banks	2,048,488,915	-
vi)	Cash credit facility from a bank	-	49,678,962
vii)	Vehicle Loan secured against vehicles purchased there against.	2,453,229	3,409,288
viii)	Interest accrued and due	394,349,599	211,736,659
		21,717,802,325	13,211,952,352

Security given for Short term and Long term loans from banks and cash credit facility taken by the Company

1. Cash credit facility from Yes Bank secured by exclusive charge over all the current assets of the Company, pledge of 40.63 Lakhs Equity Shares of the Company by an associate company and by a corporate guarantee of the said associate company in favour of the bank.
2. Short term loan from Central Bank of India secured by residual charge on the landed property together with structure thereon situated at Andheri (East), Mumbai belonging to S. Kumars Retailers Services Private Limited, first and exclusive charge on the Convertible Preference Shares collection account to be opened with Central Bank of India and personal guarantee of Individual promoters.
3. Short term loan from State Bank of India secured by second charge on the landed property (2,947 sq.mtrs) together with structure situated at Plot No.60, Andheri East, Mumbai, belonging to S.Kumars Retailer Services Pvt. Ltd. (a Group Company), personal guarantee of Individual promoters and Corporate guarantee of S. Kumars Retailer Services Private Limited.
4. Long term loan from Yes Bank secured by First Pari passu charge on the Current Assets of 10 MW Concentrated Solar Thermal Power Project in Rajasthan and pledge of bonds of SMHPCL owned by the Company of face value of Rs. 217.50 crores.

Security given for Long term secured loans from banks, financial institutions, foreign currency loan and Zero coupon bonds outstanding taken by SMHPCL

1. Secured by way of equitable mortgage, ranking pari passu, on all the immovable properties, both present and future, and hypothecation of all the movable assets, both present and future.
2. Mortgage on 250 hectares of the leasehold land and 213 hectares of project land on 20 April 2007 along with all properties situated thereon.
3. Personally guaranteed by promoter directors and certain associate companies.
4. In the event of default, the Institutions have the right to convert up to 20% of the loan amount into equity shares of SMHPCL at par.

5.12. The Financial Realignment Plan (FRP) submitted by SMHPCL was individually approved by concerned lenders as under:

- (i) Interest and all charges up to September/October 2001 i.e. Pre Stalled Period was paid to all lenders aggregating to Rs. 3,320 Lakhs
- (ii) The Interest Liability for the Stalled Period inclusive of compound interest has been paid as Zero Coupon Bonds (ZCB) repayable over 20 years in equal quarterly instalments commencing after a moratorium of 12 months from the Commercial Operations Date.

Zero Coupon Bonds have been issued to the extent of Rs. 34,242 Lakhs

- (iii) SMHPCL has made provision in accounts to cover all interest dues including Compound Interest and Liquidated Damages for all lenders up to March 31, 2010 and paid simple interest @ 8.5% per annum during the year for the Post Stalled Period aggregating to Rs. 3,465.88 Lakhs

The term loan principal amount for term loans taken by SMHPCL is repayable over 15 years commencing after a moratorium of 18 months from the commercial operations date

5.13. Employee retirement and other benefits

A) Defined contribution plan

The Group has recognized an amount of Rs. 14.52 Lakhs (Previous year: Rs. 5.40 Lakhs) as provident fund expense, representing contribution towards provident fund. Such expenses have been incurred by SMHPCL, and this amount has been recognised in 'Pre-operative expenses (pending allocation)'.

B) Defined benefit plan

Gratuity, which is a defined benefit, is accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary.

The following table sets forth the status of these plans of the Company and its subsidiaries and amounts recognised in the Group's Consolidated Balance Sheet as per AS 15 (revised). The gratuity plans are non-funded.

(Amounts in Rs. Lakhs)

	As at 31-Mar-10	As at 31-Mar-09
Present value of the defined benefit obligation at the end of the year	44.67	41.71
Fair value of the plan assets		
Net liability	44.67	41.71

The amount recognised in the Profit and Loss Account/Pre-operative expenses (for SMHPCL) is as follows in respect of the gratuity

(Amounts in Rs. Lakhs)

	As at 31 March 2010	As at 31 March 2009
Current service cost	24.31	16.83
Interest on defined benefit obligation	2.96	2.54
Past service cost	13.46	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss on plan assets	(7.55)	(7.37)
Net gratuity cost	33.18	12.00
Recognised in Consolidated Profit and Loss Account	2.96	0.41
Recognised in Pre-operative expenses (pending allocation)	30.22	11.59

Reconciliation of present value of the obligation and the fair value of the plan assets

(Amounts in Rs. Lakhs)

	As at 31 March 2010	As at 31 March 2009
Opening defined benefit obligation	41.71	29.71
Interest cost	2.97	2.54
Past service cost	13.47	-
Current service cost	24.31	16.83
Benefits paid	(0.32)	-
Actuarial (gain)/loss	(7.55)	(7.37)
Closing defined benefit obligation	74.59	41.71

Principal actuarial assumptions at the balance sheet date 31 March 2010

	As at 31-Mar-10	As at 31-Mar-09
Discount rate	8.00%	8.00%
Salary escalation	5.00%-15.00%	5.00%-15.00%
Attrition rate	2.00%-20.00%	2.00%-20.00%

The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other related factors, such as supply and demand in the employment market.

C) Compensated absences

The Group has provided for leave encashment liability on actuarial valuation amounting to Rs. 66.95 Lakhs (Previous year: Rs. 46.83 Lakhs) for the year ended 31 March 2010.

- 5.14. Sundry debtors, loans and advances and Current liabilities include the following due from / payable to certain bodies corporate in which the directors of the Company are interested as members/directors:

(Amount in Rs. Lakhs)

Name of the Body Corporate	Description	As at 31-Mar-10	As at 31-Mar-09
MW Corp Private Limited	Current liabilities	(46.93)	(42.51)
SKM Fabric (Amana) Ltd	Current liabilities	-	(274.63)
MW Infra developers Private Limited	Current liabilities	(928.2)	(2,170.72)
Hindon River Mills Limited	Sundry debtors and loans and advances towards advisory services	644.58	649.65
Dasna Developers Private Limited.	Loans and advances	0.40	0.38
S Kumars Retailers Services Private Limited	Loans and advances – Office deposit	2,000.00	2,000.00

Keeping in view the nature of transactions, Current accounts with bodies corporate are not considered for the purpose of Loans.

5.15. Earnings per share (EPS) is calculated as under:

	Year ended 31-Mar-10	Year ended 31-Mar-09
Numerator (used for calculation of Basic EPS) Net profit/(loss) as per Profit and loss account	(155,432,648)	3,966,829
Denominator – Weighted average number of Equity Shares during the year – Basic	106,859,071	79,286,039
Denominator – Weighted average number of Equity Shares during the year – Diluted	106,859,071	219,956,039
Nominal value of shares (in Rs.)	10	10
Earning /(loss) per share (EPS) Basic	(1.45)	0.05
Earning /(loss) per share (EPS) Diluted	(1.45)	0.02

The weighted average number of shares for basic earnings per share has been adjusted to include 5,000,000 equity shares of Rs. 10 each and the weighted average number of shares for diluted earnings per share has been adjusted to also include 135,670,000 compulsorily convertible preference shares of face value Rs. 10 each which form part of the merger consideration for acquisition of SKGPV. These shares have been included for calculation of the Basic and Diluted earnings per share from date of the merger. The preference shares and OFCDs are anti dilutive in the current year and therefore basic and diluted loss per share is the same.

- 5.16.a) No provision for Current tax for the year was considered in view of the losses incurred by the Company during the current financial year.

- b) Deferred tax calculation is as follows:

Description	Year ended 31 March 2010	Year ended 31 March 2009
Opening balance in deferred tax liability on account of fixed assets	322,423	282,352
Add / (less):	(32,045)	40,071
Deferred tax liability/(asset) for the year due to timing difference on account of fixed assets		
Deferred tax liability/(asset) for the year due to timing difference on account of Leave Encashment	(254,246)	-
Deferred tax liability/(asset) for the year due to timing difference on account of Provision for doubtful advances	(3 152 301)	-
Deferred tax liability/(asset) for the year due to timing difference on account of Gratuity	(272,090)	-
Closing balance	(3,388,260)	322,423

- c) Tax rate considered for the above purposes is 33.2175% (P.Y. 33.99%).
- d) The net deferred tax assets have not been recognised in the financial statements of the Company in accordance with AS 22 Accounting for taxes on income.
- e) Considering the prudence aspect, no deferred tax asset has been recognized on brought forward business losses as per the Income Tax Act, 1961.

No provision for deferred taxation has been considered in books of SMHPCL, since no commercial activities are carried out by the company during the period and considering the prudent accounting policy and in absence of reasonable certainty.

- 5.17. In the case of SMHPCL, in the year 2001, due to withdrawal of the then financial associate, there was a break up in the financial closure leading to stoppage of disbursements to the Company by the lenders which in turn lead to the total stoppage of all construction activities. Due to Financial Realignment measures undertaken by the Company, project work at site recommenced from November 2005 and project financial closure was declared in September 2006. All expenditure incurred during the stalled period i.e. October/November 2001 to October 2005 including interest of Rs. 29,613 Lakhs are of the nature of Preoperative expenditure and the Company has considered them for capitalization on commissioning of the project.
- 5.18. In the case of SMHPCL, Assistant Provident Commissioner, Indore raised demand amounting to Rs 14.58 Lakhs in June 2005 covering the period up to February 2005 in respect of site staff and workers not covered under the Scheme. The Company duly provided for the demand and also paid the amount in instalments under protest. The Company appealed against the demand and the matter is before the Delhi High Court. The Company provided for employers' and employees liability amounting to Rs 10.28 Lakhs in respect of these employees for period from March 2005 to February 2007. In the absence of any demand/ assessment and the matter being subjudice, no payments thereof has been made to the Authorities. The Company decided to extend benefits of the Scheme to eligible employees fully from March 2007 and both the employees and employers' contributions are being deposited with the Authorities since then.
- 5.19. The Group has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence disclosure regarding :
- Amount due and outstanding to suppliers as at the end of the accounting year;
 - Interest paid during the year;
 - Interest payable at the end of the accounting year;

- d) Interest accrued and unpaid at the end of the accounting year, has not been provided. The same has been relied upon by the auditors.

5.20. Related party disclosures

(A) List of related parties

Ultimate parent company	MW Corp Private Limited
Parent company	MW Infra Developers Private Limited
Fellow subsidiaries	S. Kumars Limited Unitex Designs Limited Dasna Developers Private Limited SKM Fabrics (Amana) Limited Hindon River Mills Limited S. Kumars Retailer Services Private Limited
Enterprises where key managerial personnel have significant influence or control.	Raj Infin Private Limited Girija Holding Private Limited
Key Managerial Persons	Mukul S. Kasliwal Chairman Warij A. Kasliwal Vice Chairman V. K. Jain Managing Director (Entegra Ltd.) M.L. Gupta Managing Director (Shree Maheshwar Hydel Power Corporation Ltd.)

(b) Related party transactions and balances:

(Amount in Rs. lakhs)

Nature of transaction	Holding Companies	Fellow Subsidiaries	Key Management personnel
Purchase of investments	Nil (Nil)	Nil (Nil)	Nil (Nil)
Unsecured loans repaid	Nil (Nil)	Nil Nil	Nil (Nil)
Current liabilities settled	3,900.63 (240.06)	589.98 (476.37)	Nil (Nil)
Current liabilities incurred	2,658.92 (2,340.18)	276.92 (1.77)	Nil (Nil)
Advances given/paid	Nil (Nil)	200.01 (0.37)	Nil (Nil)
Advances received	Nil (1,565.00)	205.07 (205.84)	Nil (Nil)
Guarantee Fees	Nil (Nil)	15.39 (Nil)	Nil (Nil)
Remuneration given	Nil (Nil)	Nil (Nil)	68.44 (80.09)
Closing balance (Dr)	Nil (Nil)	2,644.98 (2,810.45)	Nil (Nil)
Closing balance (Cr)	975.13 (2,213.23)	4.45 (274.63)	Nil (Nil)

Notes:

- Related party relationships have been identified by the management and relied upon by the auditors.
- Figures in brackets represent those of the previous year.
- Figures in brackets represent those of the previous year.

5.21. Segment reporting
Primary segment Business

Business segments of the Company comprises of the following:

- Commodities : Trading in Iron ore and steel
- Renewable Energy : Engineering Procurement and Construction (EPC) contracts and other supplies and services to the Energy Sector

Secondary segment Geographical

The Company operates only in India, and is considered to be a single geographical segment

(Amount in Rs. Lakhs)

	Commodities		Renewable Energy		Total	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009	31 March 2010	31 March 2009
Segment revenue						
Sales to external customers	-	8,974.45	163.28	106.43	163.28	9,080.88
Inter segment revenue	-	-	-	-	-	-
Total segment revenue	-	8,974.45	163.28	106.43	163.28	9,080.88
Segment result	-	121.66	163.28	(54.16)	163.28	67.49
Unallocated corporate income					172.54	1,511.60
Prior period adjustments/ pre operative expenditure no longer required					3.59	778.36
Unallocated corporate expense					773.33	280.17
Interest and financial expense					1,002.41	399.04
Profit/(loss) before taxation					(1,557.55)	121.52
Income tax including fringe benefit tax					-	20.19
Deferred tax expense/(benefit)					(3.22)	0.40
Profit/(loss) after tax					(1,554.33)	100.93

Figures representing segment-wise assets and liabilities have not been reported since they are totally attributable to 'Renewable Energy' segment.

5.22. Non-cancellable leases

The Total of future minimum lease payments payable under non-cancellable operating lease for each of the following periods:

(Amounts in Rs. Lakhs)

Period	Year ended 31 March 2010	Year ended 31 March 2009
Not Later than one year	43.28	16.70
Later than one year and not later than five years	52.85	30.12
Not later than five years	Nil	Nil



Total lease rentals paid during the period for the above leases is Rs. 33.86 Lakhs (Previous Year: Rs. 15.51 Lakhs) in respect of the above leases.

The above lease rental is in respect of offices and guest houses taken on operating leases for a period of 3-5 years and pertains to SMHPCL. Such amount is included in the 'Pre operative expenses (pending allocation)'

5.23. Previous year's figures have been regrouped/ rearranged/ reclassified wherever considered necessary.

For and on behalf of the Board

Sd/-

Mukul S. Kasliwal
Chairman

Sd/-

V. K. Jain
Managing Director

Sd/-

Rekha Jagdale
President &
Company Secretary

Sd/-

D. M. Gupta
Sr. Vice President
(Accounts & Finance)

Place :Mumbai

Date : 23 August 2010

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*Making the
'Clean Energy' Dream
Come True...*

13.5 KW Wind-Solar Hybrid System in Operation

Glimpses of Maheshwar Hydroelectric Project



Down stream view of the project



Inside view of under construction Power House



Installation of first turbine completed



220 KV Sub-station



Health camps organised in villages