

**LETTER OF OFFER**

(Private &amp; Confidential)

For Equity Shareholders of the Company Only

**ENTEGRA LIMITED**

[The Company was originally incorporated as S. Kumars Power Developers Limited as Public Limited Company in the State of Maharashtra on 10/02/1995 under the Companies Act, 1956. Subsequently, the name of the Company was changed to S. Kumars Power Corporation Limited and fresh certificate of incorporation consequent to change of name was obtained on 02/01/1997. Further the name of the Company was changed to Induj Enertech Ltd and a fresh certificate of incorporation was obtained on 24/04/2000. The name of the company was further changed to "Entegra Infrastructures Limited" and a fresh certificate of incorporation was obtained on 04/01/2006. The name was lastly changed to "Entegra Limited" and a fresh certificate of incorporation was obtained on 23/03/2007.]

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

**Tel:** 91-022-2832 2675/76/83; **Fax:** 91-022- 2832 2707

**Contact person:** Ms. Rekha Jagdale, Company Secretary & Compliance Officer

**Email:** rights@entegra.co.in; **Website:** www.entegra.co.in

(for details regarding changes in registered office of the Company in past please refer page no.50)

**ISSUE OF 5,10,00,078 EQUITY SHARES OF RS. 10/- EACH AT A PREMIUM OF RS. 15/- EACH AGGREGATING RS. 12750.01 LACS ON RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF 1 (ONE) EQUITY SHARE FOR EVERY 1 (ONE) EQUITY SHARE (I.E. 1:1) HELD ON 04/07/2008 (RECORD DATE). THE FACE VALUE OF THE EQUITY SHARE IS RS. 10/- PER SHARE AND THE ISSUE PRICE IS 2.5 TIMES OF THE FACE VALUE**

**GENERAL RISKS**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or the adequacy of this document. The attention of investors is drawn to the statement of Risk Factors beginning on page no. viii of this Letter of Offer.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in context of the Issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions, expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The existing Equity shares of the company are listed on Bombay Stock Exchange Limited (BSE), (the Designated Stock Exchange) and National Stock Exchange (NSE). The Company has received in-principle approvals from BSE & NSE vide their letter nos. DCS/PREF/JA/IP-RT/3629/07-08 and NSE/LIST/69498-M dated March 18, 2008 and March 25, 2008 respectively for listing of the equity shares being issued in terms of this Letter of Offer.

**LEAD MANAGERS TO THE ISSUE****REGISTRAR TO THE ISSUE****KEYNOTE****CORPORATE SERVICES LTD****KEYNOTE CORPORATE SERVICES LIMITED**

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**Tel :** +91 -022 -30266000-3

**Fax:** + 91 -022 -22694323

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**Website:** www.keynoteindia.net

**SEBI Regn. No.:** INM 000003606

**Contact Person :** Mr. Bhavin Shah

**ASHIKA CAPITAL LIMITED**

1008 Raheja Centre,  
214, Nariman Point,  
Mumbai- 400 021.

**Tel :** +91 - 022 – 66111700

**Fax:** +91 - 022 – 66111710

**Email:** mbd@ashikagroup.com

**Website:** www.ashikadirect.com

**SEBI Regn. No.:** INM 00010536

**Contact Person :** Mr. V. Amit Kumar

**BIGSHARE SERVICES PRIVATE LIMITED**

E-2, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai- 400 072

**Tel :** +91 – 022- 2847 3747/3474

**Fax:** + 91 – 022- 2847 5207

**E-mail :** bigshare@bom7.vsnl.net.in

**Website :** www.bigshareonline.com

**SEBI Regn No.:** INR000001385

**Contact Person :** Mr. N.V.K. Mohan

**ISSUE OPENS ON****LAST DATE FOR RECEIVING  
REQUEST FOR SPLIT FORMS****ISSUE CLOSES ON**

**THURSDAY , 24<sup>TH</sup> JULY 2008**

**THURSDAY, 07<sup>TH</sup> AUGUST 2008**

**FRIDAY, 22<sup>ND</sup> AUGUST 2008**

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## DEFINITIONS/ABBREVIATIONS

### CONVENTIONAL / GENERAL TERMS

Term	Description
Act	The Companies Act, 1956 and subsequent amendments thereto
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories & Participant) Regulations, 1996 as amended from time to time
FY/ Financial year or Fiscal Year	The twelve months ended March 31 <sup>st</sup> of a particular year
Security Certificate	Equity Share Certificate
Security(ies)	Equity Share(s)
SE/ Stock Exchange(s)	BSE and NSE

### ISSUE RELATED TERMS

Term	Description
Articles	Articles of Association of Entegra Limited
Board	Board of Directors, of Entegra Limited
BSE/Designated Stock Exchange	Bombay Stock Exchange Limited
CAF	Composite Application Form
Directors	Directors on the Board of Entegra Limited
Equity Shareholders	Equity Shareholders of the Company whose name appear as: ✓ Beneficial Owners as per the list furnished by the depositories in respect of Equity Shares held in electronic form and ✓ On the Register of Members of the Company in respect of the Equity Shares held in Physical form
Equity Shares	Equity Shares of the Company of Rs.10/- each
Lead Manager/ LM	Lead Managers to the Issue i.e. Keynote Corporate Services Limited and Ashika Capital Limited
Issue/ Rights Issue	Issue of 5,10,00,078 equity shares of Rs. 10/- each at a premium of Rs. 15/- aggregating Rs.12750.01 lacs on rights basis to the existing equity shareholders of the company in the ratio of 1 (one) equity share for every 1 (one) equity share (i.e. 1:1) held on 04/07/2008 (record date) as per this Letter of Offer.
Issue Price	The price at which the equity shares will be issued by the Company under this Letter of Offer.
Issuer/ Company/ EL	Entegra Limited
Letter of Offer/ LOO/ Offer Document	This Letter of Offer dated July 07, 2008 circulated to the Equity Shareholders and filed with the Stock Exchanges containing <i>inter alia</i> the Issue price and the number of equity shares to be issued and other incidental information.
NSE	National Stock Exchange Limited

### ABBREVIATIONS

Abbreviations	Full Form
AGM	Annual General Meeting
CDSL	Central Depository Services (India) Limited
CLB	Company Law Board
DCA	Department of Company Affairs
DIN	Director Identification Number
DP	Depository Participant
EGM	Extraordinary General Meeting

Abbreviations	Full Form
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations there under and amendments thereto
FI	Financial Institution
FII (s)	Foreign Institutional Investors registered with SEBI under applicable laws.
GOI	Government of India
NA	Not Applicable
NAV	Net Asset Value
NR	Non Resident
NRE Account	Non Resident External Account
NRI(s)	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NOF	Net Owned Funds
MOU	Memorandum of Understanding
PAN	Permanent Account Number
PAT	Profit After Tax
PBDT	Profit Before Depreciation and Tax
PBIDT	Profit Before Interest Depreciation and Tax
PBT	Profit Before Tax
PAT	Profit After Tax
P/E Ratio	Price/Earnings Ratio
ROC	Registrar of Companies, Maharashtra located at Mumbai
ROI	Return on Investment
RBI	The Reserve Bank of India
SCRR	Securities Contracts (Regulations) Rules, 1957 as amended from time to time.
SEBI	Securities and Exchange Board of India

#### **COMPANY/INDUSTRY RELATED TERMS**

Term	Description
CAMP	Customer Asset Management Process
CAGR	Compounded Annual Growth Rate
CEA	Central Electricity Authority
CEB	Central Electricity Board
CRAR	Capital to Risk-weighted Assets Ratio
CST	Central Sales Tax
FIE	Fellow of Institute of Engineers
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
GOI	Government of India
GWT	Gearless Wind Turbines
USD	U S Dollar
IPP	Independent Power Projects
IT	Information Technology
ITES	Information Technology Enabled Services
ICD	Inter Corporate Deposit
KWH	Kilowatt Hour
MOP	Ministry of Power

Term	Description
MU	Mega Units
MW	Mega Watts
RTGS	Real Time Gross Settlement
SICA	Sick Industrial Companies Act
SEZ	Special Economic Zone

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## **CERTAIN CONVENTIONS; USE OF MARKET DATA**

In this Letter of Offer, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakh" or "Lac" means "one hundred thousand" and the word "million" means "ten lac" and the word "Crore" means "ten million" and the word "One hundred crore" means "Billion". In this Letter of Offer, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout this Letter of Offer, all figures have been expressed in Lacs unless otherwise stated. All references to "India" contained in this Letter of Offer are to the Republic of India.

For additional definitions used in this Letter of Offer, see the section "Definitions and Abbreviations" on page iii of this Letter of Offer. Industry data used throughout this Letter of Offer has been obtained from industry publications and other authenticated published data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that the industry data used in this Letter of Offer is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent sources.

## **CURRENCY OF PRESENTATION**

In this Letter of Offer, all references to "Rupees" and "Rs." are to the legal currency of India,

## FORWARD-LOOKING STATEMENTS

This Letter of Offer contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe the objectives, plans or goals also are forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about the company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others:

- ◆ General economic and business conditions in India;
- ◆ The ability to successfully implement the strategy, growth and expansion plans and technological changes;
- ◆ Changes in the value of Rupee and other currency changes;
- ◆ Changes in the Indian and international interest rates;
- ◆ Changes in fiscal, economic or political conditions in India ;
- ◆ Changes in laws and regulations that apply to the customers of the Company;
- ◆ Increasing competition in and the conditions of the customers of the Company and
- ◆ Changes in political conditions in India.

For further discussion of factors that could cause actual results to differ, please see the section titled “Risk Factors” beginning on page no. viii of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company, the Directors, any member of the Lead Manager team nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

## SECTION I - RISK FACTORS

An investment in equity shares involves a high degree of risk. The investors shall carefully consider all of the information in this Letter of Offer, in evaluating the Company and its business, including the risks and uncertainties described below, before making any investment decision. If any of the following risks actually occur, the business, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and the investors may lose all or part of their investment.

Unless specified or quantified in the relevant risk factors below, the financial or other implications of any of the risks described in this section cannot be quantified:

### INTERNAL RISK FACTORS

#### INTERNAL RISK FACTORS AND RISKS RELATING TO COMPANY'S BUSINESS

#### 1. Outstanding Litigations/disputes/cases pending against the Company/ Promoters / Directors and Group companies

##### *I. Litigations against the Company*

The Company is involved in certain legal proceedings, incidental to its business and operations, which if determined against the Company, could have an adverse impact on the results of its operations and financial condition. The Summary of the litigations is as follows:

Sr. No	Particulars	No. of cases/disputes	Approx. amount involved where quantifiable (Rs. in lacs)
1.	Notice from Economic Offence Department	1	Not Quantifiable
2.	Legal Notices under provisions of Sec 138 & Sec 141 of Negotiable Instrument Act, 1998 read with Section 420 of the Indian Penal Code	12	2826.48
3.	Orders passed by commissioner of I.T.	1	289.00
4.	Notice of willful defaulter	1	Not Quantifiable

For more details refer to page no. 129 of this letter of offer.

##### *II. Litigations against the Promoters/Directors*

**Hiten A. Khatau**

##### **(a) Litigation involving Criminal Offences**

- i. Deputy Registrar of Companies has filed a criminal suit bearing C.C.No. 110/SS/2004 before Metropolitan Court, Mumbai against Cable Corporation of India Limited and its directors for non repayment of Fixed Deposits and interest thereon.
- ii. Kotak Mahindra Bank Limited has filed Criminal Petition bearing No. 544 and 545 of 2003 before Court of Chief Judicial magistrate, Thane against the Company Nobiletto & its directors, under Section 138 of Negotiable Instrument Act. The amount claimed for recovery is Rs.163 Lacs. The High Court of Mumbai has granted Stay in the aforesaid proceedings.

##### **(b) Litigation involving labour laws, Winding up petitions or closure.**

- i. Shramik Utkarsh Sabha (SUS) an employee union has filed a suit bearing No.312/2002 against Cable Corporation of India Limited and its directors for non-payment of statutory and other dues/wages, VRS etc.



- ii. J.C. More, R.A Sanel, R.P. Singh, V.B. Shah and R.G. Chogle have filed a Civil Suit bearing No. 1017/2002 against Cable Corporation of India Limited, its directors & others inte alia seeking relief of Injunction, Interim relief to pay wages, gratuity, ex-gratia, bonus etc.

**(c) Litigation involving Civil and Economic Offences**

- i. State Bank of Hyderabad has filed a suit bearing 603 of 2000 before Debt recovery Tribunal, Mumbai for outstanding dues from bank for an amount of Rs. 91 Lacs against Khatau Ecco Ltd and Others. Mr.Hiten A. Kahatau is a party to the case. The Company and the Bank are negotiating for a one time settlement.
- ii. Gujarat Industrial Investment Corporation Limited (GIICL) has filed a suit bearing No. 742 of 2005 before City Civil Court, Ahmedabad for recovery of outstanding dues amounting to Rs. 122 Lacs. Mr. Hiten A. Khatau is a party to the case.
- iii. Diyakant M Khatau filed a Suit bearing No. 2470 of 1994 before Bombay High Court against the Khatau family/ Khatau Private Trust Properties. Mr. Hiten A. Khatau is a party to the case.

For more information please refer to “legal and other information” on page no. 130 of this letter of offer.

**III. Litigations pending against Group Companies**

There are some litigations pending against listed and unlisted companies within the group. For more information please refer to “Legal and other Information” from page nos.131 to 146 of this Letter of Offer.

**2. The Company has changed its name five times till date. Further the company has changed it registered office four times since incorporation.**

The Company was originally incorporated as S. Kumars Power Developers Limited as Public Limited Company in the State of Maharashtra on 10/02/1995 under the Companies Act, 1956. Subsequently, the name of the Company was changed to S. Kumars Power Corporation Limited Further the name of the Company was changed to Induj Enertech Ltd and a fresh certificate of incorporation was obtained on 24/04/2000. The name of the company was further changed to “Entegra Infrastructures Limited” and a fresh certificate of incorporation was obtained on 04/01/2006. The name was lastly changed to “Entegra Limited” and a fresh certificate of incorporation was obtained on 23/03/2007. Further the company has changed it registered office four times since incorporation. For more details on changes in the registered office please refer page no. 50 of this letter of offer

**3. Contingent liabilities**

The details of contingent liabilities not provided for as per the Balance Sheet for ten months period ended 31/01/2008 and as on 31/03/2007 is as follows:

Particulars	(Rs. in lacs)	
	As on January 31,2008	As on March 31,2007
Corporate guarantees given to the Bank/Financial Institutions against credit facilities extended to Shree Maheswar Hydel Power Corporation Limited	4100.00	4100.00
Income Tax demand appealed against Income Tax Authority by the Company	209.00	289.00
<b>Total</b>	<b>4309.00</b>	<b>4389.00</b>

In the event any of the contingent liabilities materialize, it may have an adverse effect on the company's financial condition and future financial performance.

4. The consideration amount was receivable in March, 2008 vide agreement dated March 1, 2006 between Entegra Infrastructures Ltd. and SKG Power Ventures Pvt. Ltd. (SKGPV). However pursuant to the decision of the proposed merger of hydro business into Entegra as taken in the meeting of the Board of Directors dated 19<sup>th</sup> December, 2007, the receivables from SKGPV will be appropriately dealt with at the time of Merger as per the advice of the advisors and valuers i.e. M/s. Grant Thornton.

5. The Company has neither identified any land for setting up the renewable energy business at Maharashtra, Madhya Pradesh and New Delhi nor have received any quotation for purchasing/installing the plant and machineries.

The Company proposes to invest an amount of Rs. 2672.00 lacs for setting up the renewable energy business. However the Company has not identified any land nor has received any quotation for purchasing/installing the required plant and machineries. The cost of project has been estimated by the Company based on past experience and internal evaluation by the management. There is no guarantee that the estimates will prove to be accurate and any significant deviation in the project cost could adversely impact the financial implications of the company.

**6. Licenses and approvals not applied for**

The company is yet to receive/apply for the government approvals, permissions, licenses in respect to the following proposals:

- The company has applied for grant of SEZ License for Renewable Energy Corridor SEZ near the city of Nagpur, Maharashtra, in joint venture with IREDA.
  - The Company is yet to apply with the Government Authorities for license for Power Trading & Distribution.
7. The Company is using the premises of S. Kumars Retailer Services Private Limited for its Registered Office on a Leave & License agreement basis. Mr. Warij A. Kasliwal, Promoter Director of the Issuer Company is interested in the transaction by virtue of common Directorship in Entegra Limited as well as in S. Kumars Retailer Services Private Limited.

8. The company has not generated any revenue from the operations during the financial year ending 31/03/2004 and 31/03/2005.

**Management Perception:**

The company has been engaged as developer of Maheshwar Hydroelectric Power Project through a Special Purpose Vehicle. The said project was stalled between 01/10/2001 to 31/10/2005 due to various reasons and again commenced since 01/11/2005 and is under implementation. The company started its operations in commodity trading like supply of fuel oil to energy sector, iron ore, steel etc. and energy services since the year 2006 which has started generating income. The operational income for the company is from the following areas:

S. No.	Name of Segment	Nature of Business
1.	Energy Services	Supply to Energy Sector (like Fuel Oil)
2.	Commodity Trading	Trading in Iron Ore and Steel
3.	Renewable Energy	Trading in Solar Water Heater

The company intends to use the proceeds of the rights issue for its renewable energy business as stated below:

S. No.	Name of Segment	Nature of Business
1.	Renewable Energy	Manufacturing facility of RE Equipments like Water Heating Solar thermal, Solar photo-voltaic system, Wind energy and biomass gasifiers

## 9. Attracting and Retaining Key personnel

The success of any company depends upon its management team and key personnel and the Company's ability to attract and retain such persons. The resignation or loss of key management personnel may have an adverse impact on its business, future financial performance and the price of its Equity Shares

## 10. Loss Making Promoter/Group Companies

The losses made by the promoter/Group companies during one or more of the last three financial years is as given herein under:

(Rs. in Lacs)			
Losses for the Year Ended			
Name of the Entities	2007	2006	2005
MW Infracore Private Limited	-	7.93	38.84
Unitex Designs Limited	-	15.15	223.73
S. Kumars Limited	-	295.06	-
Manors Textiles Limited	7.60	11.19	-
Manmade Fabrics Sales and Services Private Limited	6.17	0.35	6.14
Hindon River Mills Limited	50.43	95.60	-
Girija Holdings Private Limited	0.82	-	-
Raj Infin Pvt. Limited	1.36	-	-

11. One of the group companies namely 'Hindon River Mills Limited' has been declared as Sick Unit by BIFR under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 in August 2005

12. The Promoter of Entegra Limited, MW Infracore Pvt Limited has out of its total holding of 40.89% of shares in Entegra, pledged, shares to the extent of 7.97 % of the pre-issue equity capital with Banks/Financial Institutions. In the event of default of payment to the lenders by Entegra Limited, the pledge could be invoked by the lenders.

### Management Perception:

M/s. MW Infracore Pvt. Limited, the promoter of Entegra Limited has pledged its shares with MPSIDC and Yes Bank Limited to the tune of 7.97% of the pre issue equity capital of Entegra as collateral security. The repayment of loan of MPSIDC has been provided in the rights issue and finance by Yes bank is in the form of working capital and outflow on account of interest is not substantial considering the overall revenue of the company.

## EXTERNAL RISK FACTORS

### 1. Changes in the policies of Government of India may affect the operations of the company

A significant change in India's economic liberalization and deregulation policies could affect business and economic conditions in India. Taxes and levies affect the cost and prices of the company's business. Any change in the policies. Regulations and other levies regulated or imposed by either Central or State Government of India may have and adverse impact on the company's business and financial condition.

### 2. A slowdown in economic growth in India could cause the Company's business to suffer.

The performance of the company along with the quality and growth of the assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the business. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting commodity and energy prices or various other factors. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is rising while that of the industrial, manufacturing and agricultural sectors is declining. It is difficult to gauge the impact of these fundamental economic changes on the business.

Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect the business.

### 3. The price of the Equity Shares may be highly volatile.

- The prices of the Equity Shares on the Indian Stock Exchanges may fluctuate after this Issue as a result of several factors including;
- Volatility in Indian and global securities market;
- The Company's results of operations and performance;
- Performance of the competitors and perception in the Indian market about investment in the infrastructure sector;
- Changes in the estimates of the performance or recommendations by financial analysts;
- Significant development in India's economics liberalization and de-regulation policies; and
- Significant development in India's fiscal and environmental regulations.

There can be no assurance that the price at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

### 4. The Company's business is exposed to the effects of exchange rate fluctuations.

The Company's assets, earnings and cash flows are influenced by fluctuations in exchange rates of other currencies against the rupee, and more particularly by movements in the US dollar. Any such fluctuations in exchange rates may affect company's operations and financial conditions.

### NOTES

- ◆ Rights Issue of 5,10,00,078 Equity Shares of Rs. 10 each at a price of Rs. 25/- for cash aggregating Rs. 12750.01 Lacs.
- ◆ The book value per Equity Share of Rs.10 each was Rs 12.50 as on 31/03/ 2007 and Rs. 14.40 as on 31/01/2008.
- ◆ The Net worth of the company as on 31/03/2007 was Rs. 6377.31 lacs and was Rs. 7344.03 lacs as on 31/01/2008
- ◆ The average cost of acquisition of Equity Shares for the promoters is Rs. 10/- per share
- ◆ Other than as disclosed either in Related Party Transactions or otherwise, the promoters/Directors/ Key Management Personnel of the Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits arising out of the shareholding/employment in the Company or out of any business relation with any of the ventures in which they are interested. For interests of promoters and directors, please refer the chapters "Management" and "Promoters" beginning on pages 54 and 65 of this Offer Document. The aggregate value of Related Party transactions during previous three years is as given here in under :

(Rs. in lacs)

Sr. No.	Particulars	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05
1.	<b>Net Closing Balance Debit</b>	14,499.35	10,605.97	-
2.	<b>Net Closing Balance Credit</b>	-	-	4,469.46

- ◆ No loans and advances have been made to any persons/companies in whom the Directors of the Company are interested except as stated in the Auditors report. For details please refer to page no. 107 of the Auditors report under the section notes to accounts.
- ◆ Investors are advised to refer to the paragraph on “Basis for Issue Price” on page 27 of this Offer Document before making an investment in this Issue.
- ◆ Investors are free to contact the LM for any complaints/ information/ clarification pertaining to this Issue. For contact details of the LM, please refer to the cover page of this Offer Document.
- ◆ All information shall be made available by the LM and the Company to the public and investors at large and no selective or additional information would be available only to a section of the investors in any manner whatsoever.
- ◆ The Lead Manager and the Company shall update this Letter of Offer and keep the shareholders/public informed of any material changes till the listing and trading commencement.

## PART I

### SECTION II - INTRODUCTION

This is only a summary and does not contain all the information that you should consider before investing in the Equity Shares. You should read the entire Letter of Offer, including the information contained in the chapters titled "Risk Factors" and "Financial Statements" and related notes beginning on pages viii and 88 of this Letter of Offer before deciding to invest in the Equity Shares

#### INDUSTRY SUMMARY

##### Power Sector Scenario in India

1. Power is a critical infrastructure for economic development and for improving the quality of life. The achievement of increasing installed power capacity from 1362 MW to over 1,00,000 MW since independence and electrification of more than 500,000 villages is impressive in absolute terms. However, it is a matter of concern that the annual per capita consumption of India, at about 350 KWH is among the lowest in the world. Further, people in a large number of villages have no access to electricity.

2. Historically, Central and State government entities played dominant roles in the development of the Indian power industry. However, capacity growth did not keep pace with demand, due to inadequate investment and the poor financial health of the State Electricity Boards. In recent years, however, in light of persistent shortages, the Government has taken significant action to restructure the industry and attract investment. This has included measures to restructure the State Electricity Boards and improve their financial health. In addition, the Government has liberalized policies relating to the generation and distribution sectors.

3. On account of inadequate generation capacity, the country is plagued by power shortages. The total energy shortage, during 2000-2001, was 39,816 Million Units, amounting to 7.8 percent and the peak shortage was 10,157 MW translating to 13 percent of peak demand. Based on the demand projections made in the 16<sup>th</sup> Electric Power Survey, over 1,00,000 MW additional generation capacity needs to be added by 2012 to bridge the gap between demand and supply of power.

4. The Ministry has taken a comprehensive and realistic review of the various power projects to priorities those, which can be commissioned in the X and XI Plans. Based on this review, a capacity addition target of 46,500 MW has been tentatively fixed for Central Public Sector Undertakings under the Ministry of Power. At the State Level, the SEBs/ State Utilities and private sector will add about 41,800 MW. For optimal development of the electricity energy in its totality, an integrated approach, including capacity addition through nuclear and non-conventional energy, has been adopted. The capacity additional targets of 6400 MW through nuclear power and 10,700 MW through non-conventional resources have been accordingly fixed for the period up to 2012.

5. The large coal reserves in the country provide a ready and economical resource and ensure energy security. Hence, coal has been identified as the mainstay fuel for power generation till 2012. Emphasis has been laid on setting up large pit head stations to avoid high costs associated with transportation of high ash bearing Indian coal and overstraining the already stretched rail network.

(Source: [www.powermin.nic.in](http://www.powermin.nic.in))

This segment involves generation of electric power from fossil fuels like gas, coal, oil, etc. renewable energy sources covering different forms such as solar, wind, biomass, small hydro, geothermal, tidal, wave, etc. and nuclear material using various technologies.

## COMPANY SUMMARY

The Company was originally incorporated on 10/02/1995 with the main objects to carry on the business of development of Power Projects. The Company started its activities as developer of power projects through the Special Purpose Vehicle – Shree Maheshwar Hydel Power Corporation Ltd. for setting up of Hydel Power Project of 400 MW in the State of Madhya Pradesh. Entegra was given the Engineering Procurement and Cost Control (EPCC) contract for the project and it derived income from the consultancy services provided as per the terms of the contract. The Construction on the project was started in 1997.

During 1999-2000, the company started an Information Technology (IT) division to provide IT enabled services. This division was demerged and a new company Induj Infotech Ltd. (now known as Unitex Designs Ltd.) was formed in 2001.

The work on the Hydel Power project got stalled in September 2001 due to sudden and unforeseen withdrawal of the American collaborating company from the project thus impacting the financial tie-ups of the project. In the year 2006 Entegra hived off its holding in SMHPCL to a special purpose vehicle, namely SKG Power Ventures Private Limited.

In order to have regular cash flows Entegra diversified its activities and started dealing in infrastructure commodities such as fuel oil supplies to the energy sector, iron ore and steel during 2005-06.

During 2007 Entegra had applied to Ministry of Commerce & Industry for developing an area as a SEZ called “Renewable Energy Corridor” at Nagpur in the State of Maharashtra. The application is still under process and the company is awaiting the approval of the same. The Renewable Energy Corridor at Nagpur is being developed in partnership with Indian Renewable Energy Development Agency Ltd. (IREDA) as modern facility for manufacturing equipments of clean energy including Wind, Solar, Biomass, Hydel and Geothermal / Tidal / Fuel Cell / Hydrogen etc. This corridor is being set up on approx. 1000 acres land. The project feasibility study is being conducted.

During the year 2006-07 Entegra expanded into development of renewable energy sources like bio-fuels, solar and wind. To focus on the different opportunities available and to create a core brand value around a sustainable business approach, Entegra created dedicated teams and three branded service offerings:

- **EnnerGreen Resources** : to implement and run Renewable Energy generation projects;
- **EnnerGreen Solutions** : to offer Renewable Energy solutions to residential, commercial and industrial facilities;
- **Ennertech Projects**: to provide EPC services, project management, infrastructure commodity trading and advisory services.

Entegra intends to leverage the opportunities for wind energy in India and become a prominent player. It has in place a partnership with Bora Wind AG, a Swiss firm which has a wide experience in implementing wind energy projects across the globe. Entegra proposes to install 100 MW capacities (grid connected) wind farms and is currently in the process of identifying suitable land for the said project in the state of Maharashtra, Karnataka, Madhya Pradesh, Goa & Rajasthan. It is proposed to install 125 units each of 800 KW Wind Energy Generator (WEG) capacity. The total area required for this will be 250 acres considering 2.5 acres per MW. The total cost of the project as estimated by the company is around Rs.610.37 crores.



## SUMMARY OF FINANCIAL DATA

Please read the following data in conjunction with the detailed Auditors' Report commencing on page no. 88 under the heading 'FINANCIAL INFORMATION

### Statement of Assets & Liabilities - Standalone- Restated

(Rs. In Lacs)

Particulars	As at					
	31.01.08	31.03.07	31.03.06	31.03.05	31.03.04	31.12.02
<b>Fixed Assets:</b>						
<b>Gross Block</b>	48.10	20.82	18.93	17.63	10.3	65.87
<b>Less: Depreciation</b>	8.02	5.12	3.38	4.07	4.29	18.19
<b>Net Block</b>	<b>40.08</b>	<b>15.7</b>	<b>15.55</b>	<b>13.56</b>	<b>6.01</b>	<b>47.68</b>
Pre-Operative Expenses (Pending allocation)	139.67	65.07	22.13	22.07	21.53	21.53
	<b>179.75</b>	<b>80.77</b>	<b>37.68</b>	<b>35.63</b>	<b>27.54</b>	<b>69.21</b>
<b>Investments</b>	<b>2.32</b>	<b>0.72</b>	<b>3044.81</b>	<b>18024.82</b>	<b>19351.98</b>	<b>16977.68</b>
<b>Current Assets, Loans &amp; Advances:</b>						
Inventories	-	-	-	-	-	-
Sundry Debtors	33,921.76	25,403.63	15,922.81	-	-	-
Cash & Bank Balances	2,592.75	45.70	46.26	33.97	73.29	123.90
Loans & Advances	2,677.98	2,242.83	190.97	418.69	622.09	281.80
	<b>39,374.56</b>	<b>27,692.16</b>	<b>16,160.04</b>	<b>452.66</b>	<b>695.38</b>	<b>405.70</b>
<b>Loans, Current Liabilities and Provisions:</b>						
Secured Loans	87.33	4.10	7.08	5.49	-	6.93
Unsecured Loans	6,344.71	8,427.53	6,668.29	12,153.27	13,924.26	11,217.36
Deferred Tax Liability	2.59	0.82	0.85	5.56	5.53	5.49
Current Liabilities	14,288.33	7,011.60	2,529.29	1,319.55	1,058.92	1,121.53
Provisions	400.08	252.30	114.30	95.30	32.30	32.18
	<b>21,123.04</b>	<b>15,696.35</b>	<b>9,319.81</b>	<b>13,579.17</b>	<b>15,021.01</b>	<b>12,383.49</b>
<b>Total</b>	<b>18,251.52</b>	<b>12,077.30</b>	<b>9,922.72</b>	<b>4,933.94</b>	<b>5,053.89</b>	<b>5,069.10</b>
<b>Shareholders' Funds:</b>						
Share Capital	5,100.01	5,100.01	5,100.01	5,100.01	5,100.01	5,100.01
Reserve & Surplus	2,282.46	1,321.38	39.43	(158.57)	(24.92)	(16.19)
Miscellaneous Expenditure (to the extent not written off or adjusted)	(38.45)	(44.09)	(28.22)	(7.50)	(21.20)	(14.72)
<b>Net Worth</b>	<b>7,344.03</b>	<b>6,377.30</b>	<b>5,111.22</b>	<b>4,933.94</b>	<b>5,053.89</b>	<b>5,069.10</b>
Share Application Money not included in the Net Worth	10,907.50	5,700.00	4,811.50	-	-	-
<b>Total</b>	<b>18,251.52</b>	<b>12,077.30</b>	<b>9,922.72</b>	<b>4,933.94</b>	<b>5,053.89</b>	<b>5,069.10</b>
<b>Add / (Less) Adjustments for the Restatements::</b>						
Pre Operative Expenses (Refer Note No. A – II – 2 & 9)	-	-	-	-	(21.53)	(21.53)
Doubtful advances (Refer Note No. A – II – 4 & 8)	-	-	-	-	(36.00)	(36.00)
Provision for Tax (Refer Note No. A – II – 5 & 10)	-	-	-	-	(62.98)	(61.99)
Capitalisation of Interest (Reversal) (Refer Note No. A – II – 1, 3 & 7)	-	-	-	(4,372.51)	(5,699.67)	(3,325.37)
<b>Net Worth Restated</b>	<b>7,344.03</b>	<b>6,377.30</b>	<b>5,111.22</b>	<b>561.43</b>	<b>(766.29)</b>	<b>1,624.21</b>



**Statement of Profits & Loss –standalone- Restated**
**(Rs. in lacs)**

Particulars	Period ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period (15 months) ended 31.03.04	Year ended 31.12.02
<b>Income</b>						
<b>Sales</b>						
Products Traded in by the Company / Project Consultancy Fees	16103.42	19,718.91	3,444.83	-	-	72.00
<b>Total Operational Income</b>	<b>16103.42</b>	<b>19,718.91</b>	<b>3,444.83</b>	<b>-</b>	<b>-</b>	<b>72.00</b>
Other Income	1,658.32	430.83	14.21	2.82	-	10.62
Increase / (Decrease) in Inventories	-	-	-	-	-	-
<b>Total (A)</b>	<b>17761.74</b>	<b>20,149.74</b>	<b>3,459.04</b>	<b>2.82</b>	<b>-</b>	<b>82.62</b>
<b>Expenditure</b>						
Purchase of Trading Goods	16054.58	17,571.95	2,502.43	-	-	-
Operative Expenses	368.00	363.10	56.90	57.89	-	37.20
Financial Charges	153.55	474.28	680.37	0.33	-	3.41
Depreciation	2.91	1.74	1.81	1.53	-	6.80
Share Issue Expenses Written Off	4.27	-	-	3.00	-	3.00
Preliminary Expenses Written Off	1.38	6.32	3.94	0.13	-	0.27
<b>Total (B)</b>	<b>16584.69</b>	<b>18,417.39</b>	<b>3,245.45</b>	<b>62.88</b>	<b>-</b>	<b>50.68</b>
<b>Profit before Extra Ordinary Items &amp; Prior Period Adjustments (A-B)</b>	<b>1177.05</b>	<b>1,732.35</b>	<b>213.59</b>	<b>(60.06)</b>	<b>-</b>	<b>31.94</b>
<b>Add / (Less):</b> Prior Period Adjustments	(69.92)	(20.95)	(0.36)			(6.00)
<b>Add / (Less):</b> Extra Ordinary Items		(271.91)		-	-	
<b>Profit before Tax after Extra Ordinary Items &amp; Prior Period Adjustments</b>	<b>1107.13</b>	<b>1,439.49</b>	<b>213.23</b>	<b>(60.06)</b>	<b>-</b>	<b>25.94</b>
Provision for Taxation	140.00	170.00	19.00	-	-	0.13
Provision for Fringe Benefit Tax	4.29	-	0.94	-	-	-
Provision for Wealth Tax / Earlier years IT	-	(12.43)	-	-	-	-
Deferred Tax	1.77	(0.04)	(4.70)	0.03	-	1.46
<b>Profit after Tax</b>	<b>961.07</b>	<b>1,281.96</b>	<b>197.99</b>	<b>(60.09)</b>	<b>-</b>	<b>24.35</b>
<b>Add / (Less): Adjustments for Restatement:</b>						
Interest Capitalized / Reversed (Refer Note No. A – I – 1 and A – II – 1, 3 & 7)	-	-	4,372.51	1,327.16	(2,374.30)	(3,325.37)
Pre- Operative Expenses (Refer Note No. A – I – 2)	-	-	-	-	4.36	-
Deferral of Expenses (Refer Note No. A – I – 2)	-	-	-	-	(16.69)	-
Pre- Operative Expenses (Refer Note No. A – II- 2 & 9)	-	-	-	21.53	-	(21.53)
Depreciation (Refer Note No. A – I – 2)	-	-	-	-	(2.74)	-
Share Issue Expenses Written Off (Refer Note No. A – I – 2)	-	-	-	-	(3.75)	-
Preliminary Expenditure Written Off (Refer Note No. A – I – 2)	-	-	-	-	(0.34)	-
Provision for Taxation (Refer Note No. A – I – 2, A – II – 5 & 10)	-	-	-	-	(1.13)	(62.00)
Deferred Tax Liability	-	-	-	-	-	(4.02)
Provision for Loans & Advances (Refer Note No. A – II- 4 & 8)	-	-	-	36.00	-	(36.00)
<b>Profit after Tax – Restated</b>	<b>961.07</b>	<b>1,281.96</b>	<b>4,570.50</b>	<b>1,324.60</b>	<b>(2,394.59)</b>	<b>(3,424.57)</b>
<b>Balance Brought forward &amp; General Reserve – Restated</b>	<b>1,321.39</b>	<b>39.43</b>	<b>(4,531.07)</b>	<b>(5,855.67)</b>	<b>(3,461.08)</b>	<b>(36.51)</b>
<b>Profit available for Appropriation – Restated</b>	<b>2,282.46</b>	<b>1,321.39</b>	<b>39.43</b>	<b>(4,531.07)</b>	<b>(5,855.67)</b>	<b>(3,461.08)</b>

## THE ISSUE

Type of Issue	Type of Instrument	No. of equity shares	Face Value (Rs.)	Issue Price (Including Premium of Rs. 15/-	Consideration
Rights Issue	Equity Shares	5,10,00,078	10/-	25/-	Cash

## ISSUE BREAK-UP

Particulars	No. of Equity Shares
<b>Equity Shares offered (Issue Size)</b>	5,10,00,078 Equity Shares
<b>Entitlement Ratio</b>	The Equity Shares are being offered on rights basis to the existing Equity Shareholders of the Company in the ratio of 1 (One) Equity Share for every 1 (One) Equity Share held as on the Record Date 04/07/2008
<b>Market Lot</b>	The market lot for the Equity Shares in dematerialized mode is one. In case of physical certificates, the Company would issue one certificate for the Equity Shares allotted to one folio ("Consolidated Certificate").
<b>Equity shares outstanding prior to the Issue</b>	5,10,00,078 Equity Shares
<b>Equity shares outstanding after the issue</b>	10,20,00,156 Equity Shares

## USE OF PROCEEDS:

Please see section titled "Objects of the Issue" on page 19 of this Offer Document

## ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUEST FOR SPLIT FORMS	ISSUE CLOSES ON
THURSDAY , 24 <sup>TH</sup> JULY 2008	THURSDAY, 07 <sup>TH</sup> AUGUST 2008	FRIDAY, 22 <sup>ND</sup> AUGUST 2008

## GENERAL INFORMATION

**Dear shareholder(s),**

The Board of Directors in their meeting held on 01/04/2006 has decided to make following offer to the existing shareholders of the Company:

Issue of 5,10,00,078 Equity Shares of Rs. 10/- each at premium of Rs. 15/- aggregating Rs. 12750.01 lacs on rights basis to the existing Equity Shareholders of the Company in the ratio of 1 (One) Equity Share for every 1 (One) Equity Share held on 04/07/2008 (Record Date).

The face value of the Equity Shares is Rs. 10/- per share and the Issue Price is 2.5 times the face value.

The resolution in respect of this has been approved by the shareholders of the Company in the AGM of the Company held on 25/09/2006.

<b>Name of the Company</b>	:	Entegra Limited
<b>Registered Office</b>	:	S. Kumars House, Plot No. 60, Street No. 14, Phase II, MIDC Marol, Andheri (E), Mumbai-400 093. Maharashtra, India <b>Tel:</b> 91-022- 28322675 / 76 / 83 <b>Fax:</b> 91-022-28322707 <b>Email:</b> info@entegra.co.in <b>Website:</b> www.entegra.co.in
<b>Head Office</b>	:	205/206, Laxmi Plaza, Laxmi Industrial Estate, Off. New Link Road, Andheri (West), Mumbai 400 053. Maharashtra, India <b>Tel :</b> 91-022-40333888 <b>Fax:</b> 91-022- 40333826
<b>CIN No.</b>	:	L31101MH1995PLC085471
<b>PAN No.</b>	:	AABCS2087D
<b>Contact person:</b>	:	Ms. Rekha Jagdale, Company Secretary & Compliance Officer
<b>Registrar of Companies</b>	:	100, Everest, Marine Drive, Mumbai - 400 002, Maharashtra India

## IMPORTANT

1. This Issue is applicable to such Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the depositories in respect of the Equity Shares held in the electronic form and on the Register of Members of the Company at the close of business hours on 04/07/2008 (Record Date)
2. Your attention is drawn to the section on risk factors starting from page no. viii of this Letter of Offer.
3. Please ensure that you have received the CAF with this Letter of Offer.
4. Please read the Letter of Offer and the instructions contained herein and in the CAF carefully before filling in the CAFs. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. An application is liable to be rejected for any non compliance of the Letter of Offer or the CAF.
5. All enquiries in connection with this Letter of Offer or CAFs should be addressed to the Registrar to the Issue, quoting the Registered Folio number/ DP and Client ID number and the CAF numbers as mentioned in the CAFs.
6. The Lead Manager and the Company shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of the Letter of Offer with SEBI.
7. All the legal requirements as applicable till the filing of the Letter of Offer with the Designated Stock Exchange have been complied with.

## Board of Directors

The Board of Directors of the Company comprises of:

Name of the Director	Designation	Status	DIN
Mr. Mukul S. Kasliwal	Chairman	Promoter Director	00058577
Mr. Warij A. Kasliwal	Vice-Chairman	Promoter Director	00012576
Mr. Vijendra K. Jain	Managing Director	Executive Director	00013052
Mr. Prabhakar L. Nene	Director	Independent Director	00228620
Mr. Ajit C. Kapadia	Director	Independent Director	00065081
Mr. Hiten A. Khatau	Director	Independent Director	00121931
Mr. Ashish S. Jalan	Director	Independent Director	00031311
Mr. Soli K. Cooper	Director	Independent Director	00515827
Mr. Pradeep Goyal	Director	Independent Director	00008370

## BRIEF PROFILE OF THE BOARD OF DIRECTORS

**1. Mr. Mukul S. Kasliwal** son of Shri Shambhukumar Kasliwal is a B.Com from Sydneham College and an MBA from the University Of Rochester, USA. He has more than 20 years of experience and has successfully handled various assignments in Financial Management and Strategic Alliances He is involved in promoting the role of the Private sector in the area of Hydro Power, Renewable Energy and Infrastructure Industry. He has been involved in various Private Power projects. He serves on several boards and is the youngest member of National Manufacturing Competitiveness Council (NMMCC.)

**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 a business experience of over 26 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 K. Jain** son of Late Shri Sobhagmal Jain is a Chartered Accountant by qualification and Managing Director of the Company. He is 50 years old and has 25 years of experience in the field of Accounts & Finance, Project finance, Capital issues, M & A and Financial Management. He has vast experience in the fields of Paper, Agro, Chemicals, Shipping, Textile and Power Sector. He is in charge of all the business and overall activities of the company and looks after the day to day affairs/operations of the company.

**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 around 40 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 Abhaya Khatau is Chartered Accountant by qualification and belongs to the industrialist family of Khatau and has been brought up in an environment of growth, corporate collaboration and cross-cultural characteristics. 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 20 years in the field of electronic equipment industry. He is a 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 Bombay High Court since 1980. He is on board for various companies and is also trustee of F.H.B. Sethna Charity Trust

**9. Mr. Pradeep Goyal** son of Mr. Vedprakash Goyal is a B. Tech from Indian Institute of Technology, Kanpur. He has also completed S.M. in Materials Science and Engineering from Massachusetts Institute of Technology, Cambridge, USA. He has over 20 years of experience in the field of Metallurgical industry. He has been awarded first rank in Metallurgy from the President of India. He is also a member of All India Manufacturers Organisation, Indo German Chamber of Commerce, Executive Committee of Indian Merchant Chambers, a trustee of ASM International and Ekal Vidyalya Foundation of India

## **ISSUE MANAGEMENT TEAM**

### **Legal Advisors to the issue**

M/s. Juris Consultus  
815, 8<sup>th</sup> Floor, Maker Chamber – V,  
221, Nariman Point,  
Mumbai – 400 021.  
Tel : 91 – 022- 2202 5969  
Fax: 91 – 022 - 2287 4049  
Email :mumbai.jursconsultus@gmail.com

### **Lead Manager to the Issue**

#### **Keynote Corporate Services Limited**

4<sup>th</sup> Floor Balmer Lawrie Bldg,  
5, J.N. Heredia Marg,  
Ballard Estate, Mumbai – 400 001  
Tel: 91-022- 30266000-3  
Fax: 91-022- 22694323  
Website: www.keynoteindia.net  
E-mail: mbd@keynoteindia.net  
SEBI Regn No: INM 000003606  
Contact Person: Mr. Bhavin Shah

### **Auditors to the Company**

M/s. Malpani & Associates, Chartered Accountants,  
307, Chartered House, 297/299, Dr. Cawasji Hormasji  
Street, Near Marine Lines Church, Mumbai – 400 002.  
Tel : 91-22- 2206 0236 / 2209 0966  
Fax : 91-22-2200 8360  
Email: malpani\_s@vsnl.com

#### **Ashika Capital Limited**

1008, Raheja Centre, 10<sup>th</sup> Floor,  
214, Nariman Point,  
Mumbai- 400 021.  
Tel : 91 – 022 – 66111700  
Fax : 91 – 022 – 66111710  
Website: www.ashikadirect.com  
Email: mbd@ashikagroup.com  
SEBI Regn. No: INM 00010536  
Contact Person: Mr. V.R. Amit Kumar / Mr. Nithin Kanuganti

### **Registrar to the Issue**

#### **Bigshare Services Private Limited**

E-2, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri East, Mumbai- 400 072.  
Tel: 91 – 022 – 2847 3747/3474  
Fax: 91 – 022 – 2847 5207  
Website: www.bigshareonline.com  
Email: entegrarights@bigshareonline.com  
SEBI Regn No : INR000001385  
Contact Person: Mr. N.V.K.Mohan/ Ms. Sangeeta Bharti

### **Bankers to the Company**

#### **Yes Bank Limited**

IV<sup>th</sup> Floor, Nehru Centre,  
Discovery of India, Dr. A.B. Road,  
Worli, Mumbai – 400018.  
Tel : 91 – 022 – 6669 9000  
Fax : 91- 022 – 2490 1128  
Email : ramaiy.kapoor@yesbank.in

#### **Indusind Bank Limited**

Acme Plaza, CTS No. 32  
Andheri – Kurla Road,  
Andheri East, Mumbai – 400 059  
Tel : 91 – 022 – 2823 7636  
Fax : 91 – 022 – 2823 7574  
Email : abhijitns@indusind.com

### ICICI Bank Limited

ICICI Bank Towers,  
 Bandra – Kurla Complex,  
 Mumbai – 400 051.  
 Tel : 91 – 022 – 2653 1414  
 Fax : 91 – 022 – 2653 1122  
 Email: ramen.raymandal@icicibank.com

### Bankers to the issue

#### ICICI Bank

Capital Markets Division,  
 30, Mumbai Samachar Marg,  
 Mumbai – 400 001  
 Tel.: -91-022-22627600  
 Fax:-91-022-22611138  
 Email: venkataraghavan.t@icicibank.com  
 Contact Person: Mr. Venkataraghavan

#### YES Bank Limited

Nehru Centre, 9th Floor,  
 Discovery of India,  
 Dr. A. B. Road,  
 Worli, Mumbai-400 018  
 Tel: -91-022-6669 9000  
 Fax: - 91-022-2490 0314  
 Email: shreejit.nair@yesbank.in  
 Contact Person: Mr. Shreejit Nair

### Company Secretary and Compliance Officer

Ms. Rekha Jagdale  
 205/206, Laxmi Plaza, Laxmi Industrial Estate,  
 Off. New Link Road,  
 Andheri (West), Mumbai 400 053.  
 Tel: 91-022-40333888 / 40333825  
 Fax: 91-022- 40333826  
 Email: rights@entegra.co.in

**Investors can contact the Compliance Officer or the Registrar to the issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.**

### INTER SE ALLOCATION OF RESPONSIBILITIES

The following table sets forth the distribution of responsibility and co-ordination for various activities among the Lead Managers to the Issue.

Sr. No.	Activity	Responsibility	Coordinator
A.	Capital Structuring with relative components and formalities such as the composition of debt and equity, type of instruments, etc.	Keynote & Ashika	Keynote
B.	Due diligence of the Company's operations/management/legal/business plans etc.	Keynote & Ashika	Keynote

Sr. No.	Activity	Responsibility	Coordinator
C.	Drafting & Design of the offer document and of statutory advertisements/publicity material including newspaper advertisements and memorandum/brochure containing salient features of the offer document. The designated Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities (including finalization of Letter of Offer) with stock Exchanges, the Registrar of Companies and SEBI.	Keynote & Ashika	Keynote
D.	Selection of various agencies connected with the issue such as Bankers to Issue, Registrars to the Issue, Printers and Ad -agencies.	Keynote & Ashika	Keynote
E.	Drafting and approval of all publicity material other than statutory advertisement (mentioned in (3) above including corporate advertisement, brochure, corporate film etc.	Keynote & Ashika	Keynote
F.	Marketing of the issue, which will cover, inter alia, formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centres of holding conferences (iii) collection centres (iv) distribution of publicity and issue material, letter of offer, Abridged Letter of Offer and brochures and deciding on quantum of issue material	Keynote & Ashika	Ashika
G.	Follow-up with the bankers to the issue to get estimates of collection and advising the Issuer about closure of the Issue, based on correct figures	Ashika	Ashika
H.	The Post issue activities will involve essential follow up steps, which must include the finalization of basis of allotment/weeding out of multiple applications ,listing instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrar to the issue, Bankers to the issue and the bank handling refund business. Lead Managers shall be responsible to fulfill their functions and enable them to discharge this responsibility through suitable agreements with the issuer company.	Ashika	Ashika

#### **CREDIT RATING/DEBENTURE TRUSTEE**

This being Rights Issue of equity shares, no Credit Rating or appointment of Debenture Trustee is required.

#### **MONITORING AGENCY**

Not Applicable

## **APPRAISING ENTITY**

Not Applicable

## **MINIMUM SUBSCRIPTION**

- i. If the Company does not receive minimum subscription of 90% of the issue, the entire subscription shall be refunded to the applicants within forty two days from the date of closure of the issue.
- ii. If there is delay in the refund of subscription by more than 8 days after the company becomes liable to pay the subscription amount (i.e., forty two days after closure of the issue), the company will pay interest for the delayed period, at prescribed rates in sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

## **IMPERSONATION**

**Attention of the applicants is specifically drawn to the provisions of Sub-Section (1) of Section 68A of the Companies Act, 1956 which is reproduced below:**

**"Any person who-**

- (c) makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or**
- (c) otherwise induces a Company to allot or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."**

## **UNDERWRITING/ STANDBY SUPPORT**

This issue of equity shares is not being underwritten and/or no standby support is being sought for the said issue.



## CAPITAL STRUCTURE OF THE COMPANY

Details as on the date of Letter of Offer	Aggregate Value at Nominal Price (Rs.)	Aggregate Value at Issue Price (Rs.)
<b>A. Authorized Capital</b> 11,00,00,000 Equity Shares of Rs. 10/- each	110,00,00,000	110,00,00,000
<b>B. Issued, Subscribed &amp; Paid-up Capital</b> 5,10,00,078 Equity Shares of Rs. 10/- each, fully paid – up	51,00,00,780	51,00,00,780
<b>C. Present Rights Issue</b> 5,10,00,078 Equity shares of Rs. 10/- each for cash at premium of Rs. 15/- per Equity Share	51,00,00,780	1,27,50,01,950
<b>D. Post Issue Capital</b> 10,20,00,156 Equity shares of Rs. 10/- each	102,00,01,560	-
<b>E. Share Premium Account</b> Before the offer After the offer		Nil 7650,01,170

### Notes to Capital Structure:

#### 1. Changes in the Authorized Capital of the Company:

Sr. No.	Details of increase in authorized share capital	Date
1.	Incorporation Rs. 5 Crores divided into 50,00,000 equity shares of Rs. 10/- each	10/02/1995
2.	Increased to Rs. 55 Crores divided into 5,50,00,000 equity shares of Rs. 10/- each	25/09/1997
3.	Increased to Rs. 60 Crores divided into 6,00,00,000 equity shares of Rs. 10/- each	15/07/1998
4.	Increased to Rs. 65 Crores divided into 6,50,00,000 equity shares of Rs. 10/-each	13/08/1998
5.	Increased to Rs. 110 Crores divided into 11,10,00,000 equity shares of Rs. 10/- each	30/12/2005

#### 2. Details of increase in the paid-up Equity Share capital are as follows:

Date of Allotment	Face Value (Rs.)	Issue Price (Rs.)	No. of Shares	Cumulative No. of shares	Nature of allotment	Consideration
10/02/1995	10	10/-	700	700	Subscribers to the Memorandum of Association	Cash
19/03/1995	10	10/-	49,99,300	50,00,000	Further Allotment	Cash
04/10/1997	10	10/-	40,00,000	90,00,000	Further Allotment	Cash
17/06/1998	10	10/-	5,10,00,000	6,00,00,000	Further Allotment	Cash
30/07/2001	10	10/-	5,10,00,078	5,10,00,078	Reduction in capital *	--
<b>Total</b>			<b>51,00,00,780</b>			

\* Pursuant to the Order of the Bombay High Court dated April 18<sup>th</sup> 2001, the company has implemented the Scheme of Reconstruction & Rearrangement under Section 391 read with Section 394 of Companies Act, 1956, thereby separating the IT & IT Enabled Services division of the company into to a newly formed company namely Induj Infotech Ltd (now known as Unitex Designs Ltd.). Consequent to the scheme, the capital of the Company was reduced from Rs. 60 crores to Rs. 51 crores. As a consequence of this, all the original share certificates were called back and cancelled. The new shares were allotted on 30-07-2001 to the shareholders whose name appears in the register of members as on record date i.e. 24<sup>th</sup> July 2001 in the ratio of 85 shares for every 100 shares of Induj Enertech Limited (now known as 'Entegra Limited').

**Note:**

The company had made offer for sale of equity shares held by one of the promoter group in the year 1999 for listing of the shares on BSE & NSE.

3. **Promoters' Contribution and Lock-in**

The present issue being a rights issue, provisions of promoters' contribution and lock-in are not applicable

4. **Present Rights Issue:**

Type of Instrument	Ratio	Face Value (Rs.)	No. of shares	Issue Price (Rs.)	Consideration
Equity Shares	1:1	10/-	5,10,00,078	25/-	Cash

**Pre & Post issue shareholding pattern of the Company assuming full subscription in the rights issue is given below:-**

	Category of Shareholder	Pre-issue (As on 04/07/2008)		Post-issue	
		Number of Shares	%	Number of Shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
(a)	Individuals/ Hindu Undivided Family	-		-	-
(b)	Central Government/ State Government(s)/Government company				
(c)	Bodies Corporate	26606449	52.17	53212898	52.17
(d)	Financial Institutions/ banks				
(e)	Any Other (specify)				
	<b>Sub- Total (A)(1)</b>	<b>26606449</b>	<b>52.17</b>	<b>53212898</b>	<b>52.17</b>
<b>2</b>	<b>Foreign</b>				
(a)	Individuals (Non-Resident Individuals/ Foreign non Individuals)	--	--	--	--
(b)	Bodies Corporate	--	--	--	--
(c)	Institutions	--	--	--	--
(d)	Any other (specify)	--	--	--	--
	<b>Sub-Total (A)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>26606449</b>	<b>52.17</b>	<b>53212898</b>	<b>52.17</b>

	Category of Shareholder	Pre-issue (As on 04/07/2008)		Post-issue	
		Number of Shares	%	Number of Shares	%
<b>(B)</b>	<b>Public shareholding</b>				
<b>1</b>	<b>Institutions</b>		-	-	-
(a)	Mutual Funds/ UTI	-	-	-	-
(b)	Financial Institutions/ Banks	5949	0.01	11898	0.01
(c)	Central Government/ State Government(s)	--	--	--	--
(d)	Venture Capital Funds	--	--	--	--
(e)	Insurance Companies	--	--	--	--
(f)	Foreign Institutional Investors	--	--	--	--
(g)	Foreign Venture Capital Investors	--	--	--	--
(h)	Any Other (specify) ( Foreign National)	--	--	--	--
	<b>Sub-Total (B)(1)</b>	<b>5949</b>	<b>0.01</b>	<b>11898</b>	<b>0.01</b>
<b>2</b>	<b>Non-institutions</b>				
(a)	Bodies Corporate	12058352	23.64	24116704	23.64
(b)	Individuals-				
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	8253923	16.18	16507846	16.18
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	3960397	7.78	7920794	7.78
(c)	Individuals (Non-Resident Individuals/ Foreign non Individuals)	-	-	-	-
(d)	Overseas Corporate Bodies	-	-	-	-
(e)	Clearing Members	31372	0.06	62744	0.06
(f)	Non Resident Indians	83636	0.16	167272	0.16
	<b>Sub-Total (B)(2)</b>	<b>24387680</b>	<b>47.82</b>	<b>48775360</b>	<b>47.82</b>
	<b>Total public shareholding (B)= (B)(1)+(B)(2)</b>	<b>24393629</b>	<b>47.83</b>	<b>48787258</b>	<b>47.83</b>
	<b>TOTAL (A)+(B)</b>	<b>51000078</b>	<b>100.00</b>	<b>102000156</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>51000078</b>	<b>100.00</b>	<b>102000156</b>	<b>100.00</b>

5. The shareholding pattern of the promoter group is as detailed below

Particulars	Present		Post Rights	
	No. of equity shares of Rs. 10/- each	% of present capital	No. of equity shares of Rs. 10/- each	% of post issue capital
<b>a) Promoters</b>				
M W Infraholdings Pvt. Limited	20848601	40.89	41697202	40.89
Raj Infin Pvt. Limited	1439462	2.82	2878924	2.82
Girjia Holding Pvt. Limited	1439462	2.82	2878924	2.82
<b>SUB – TOTAL</b>	<b>23727525</b>	<b>46.53</b>	<b>47455050</b>	<b>46.53</b>
<b>b) Immediate relatives of promoters (Spouse, Parent, Child, Brother, Sister):</b>				
<b>SUB – TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) Company in which 10% or more of the share capital is held by the promoter/his immediate relative, firm or HUF in which the promoter or his immediate relative is a member.</b>				
<b>SUB – TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>d) Company in which the Company mentioned in © above holds 10% or more of the share capital</b>				
<b>SUB – TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>e) HUF in which aggregate share of the promoter and his immediate relatives is equal or more than 10% of the total.</b>				
<b>Persons Acting in Concert</b>				
Kartikeya Finvest Pvt. Limited	1439462	2.82	2878924	2.87
Moolsha Investment Pvt. Limited	1439462	2.82	2878924	2.87
<b>SUB – TOTAL</b>	<b>2878924</b>	<b>5.64</b>	<b>5757848</b>	<b>5.64</b>
<b>GRAND TOTAL</b>	<b>26606449</b>	<b>52.17</b>	<b>53212898</b>	<b>52.17</b>

Presuming no subscription is received from other shareholders and the promoters/promoter group subscribing to the entire unsubscribed portion, their shareholding shall increase to 76.08 % of the post rights issue equity capital of the Company. As a result of this subscription and consequent allotment, the promoters/promoter group may acquire shares over and above their entitlement in the issue which may result in their shareholding in the company being above their current holding This subscription and acquisition of additional equity shares by the Promoter/promoter group, if any, will not result in change of control of the management of the Company and shall be exempt in terms of provision to Regulation 3(1)(b)(ii) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

The promoters/promoter group have confirmed that in case the Rights Issue of the Company is completed with their subscribing to equity shares over and above their entitlement and as a result, if the public shareholding in the Company after the Issue falls below the permissible minimum level as specified in the listing condition or listing agreement, they will make an offer for sale of their holdings so that the public shareholding is raised to the minimum level specified in the listing agreement or in the listing conditions

within a period of 3 months, as per the requirements of sub-clause 17.2 of SEBI (Delisting of Securities) Guidelines, 2003 or as per any amendment thereto

6. The Company has not issued any warrant, option, convertible loan, debenture or any other securities convertible at a later date into equity, which would entitle the holders to acquire further equity shares of the Company.
7. Equity shares of the Company are being traded in compulsory dematerialized mode. The market lot of the equity shares is 1 (one).
8. There are no transactions in the securities of the Company during preceding 6 months which were financed/undertaken directly or indirectly by the promoters, their relatives, their group companies or associates or by the above entities directly or indirectly through other persons except as follows:

Name of the Transferee	Name of the Transferor	Nature of transaction	Date	Rate per share (Rs.)	No. of shares	Consideration
M/s. S. Kumars Limited	M/s. MW Infraholdings Private Limited	Inter-se transfer among the promoter Group	12/12/2007	Rs.10	500000	Cash

Further there are no purchase or sale of shares by the directors of the company during the last six months prior to filing draft offer document with SEBI or thereafter.

9. a) The ten largest shareholders two years prior to the date of filing of this Letter of Offer with Stock Exchanges are as follows:

Sr. No	Name of the Shareholders	No. of Equity Shares	% of Issued Capital
1	S. Kumars Limited	15607215	30.60
2.	MW Infraholdings Private Limited	8500000	16.67
3	S. Kumars Nationwide Limited	4250000	8.33
4	Panther Fincap & Management Services Pvt. Ltd.	1955000	3.83
5	Rotunda Capital & Finance (India) Pvt. Ltd.	1016150	1.99
6	Abhayakumar S. Kasliwal	880175	1.73
7	Shambhukumar S. Kasliwal	880175	1.73
8	S. Kumars Retailer Services Pvt. Ltd.	850000	1.67
9	Mukul S. Kasliwal	710430	1.39
10	Warij A. Kasliwal	710430	1.39

9. b) The ten largest shareholders 10 days prior to the date of filing of this Letter of Offer with Stock Exchanges are as follows:

Sr. No	Name of the Shareholders	No. of Equity Shares	% of Issued Capital
1	MW Infra Holdings Private Limited	20848601	40.88
2	Panther Fincap & Management Services Pvt. Ltd.	1955000	3.83
3	Devkant Synthetics (India) Pvt. Ltd.	1935000	3.79
4	Kartikeya Finvest Private Limited	1439462	2.82
5	Moolsha Investment Private Limited	1439462	2.82
6	Ani-Abhi Investments Pvt. Ltd.	1439462	2.82
7	Girija Holdings Pvt. Ltd.	1439462	2.82
8	Anjani Finvest Pvt. Ltd.	1439462	2.82
9	Vidhi Holdings Private Limited	1439462	2.82
10	Raj Infin Private Limited	1439462	2.82

9. c) The ten largest shareholders as on the date of filing of this Letter of Offer with Stock Exchanges are as follows:

Sr No.	Name of the Shareholders	No. of Equity Shares	% of Issued Capital
1	MW Infra Holdings Private Limited	20848601	40.88
2	Devkant Synthetics (India) Pvt. Ltd.	2795000	5.48
3	Panther Fincap & Management Services Pvt. Ltd.	1955000	3.83
4	Raj Infin Private Limited	1439462	2.82
5	Girija Holdings Pvt. Ltd.	1439462	2.82
6	Kartikeya Finvest Private Limited	1439462	2.82
7	Moolsha Investment Private Limited	1439462	2.82
8	Ani-Abhi Investments Pvt. Ltd.	1439462	2.82
9	Anjani Finvest Pvt. Ltd.	1439462	2.82
10	Vidhi Holdings Private Limited	1439462	2.82

10. The Company/Promoters/Directors/Lead Managers have not entered into buy back or similar arrangements for purchase of securities issued by the Company.
11. The entire issue price is to be paid on application hence there will be no partly paid up shares arising out of this issue.
12. The promoters have already brought in an amount of Rs. 10907.60 lacs towards share application money which will be adjusted towards their entitlement and subscription to unsubscribed portion if any, by the public shareholders
13. The equity shares of the company are of face value of Rs.10/- and marketable lot is 1 (one). At any given time there shall be only one denomination for the shares of the Company and the disclosures and accounting norms specified by SEBI from time to time will be complied with.
14. The Company has not raised any bridge loan against the proceeds of the issue.
15. The Company shall not make any further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner during the period commencing from the submission of the Letter of Offer to SEBI for the Rights Issue till the securities referred in the Letter of Offer have been listed or application money refunded on account of failure of the issue.

16. The Company has at its Board Meeting held on December 19, 2007 considered the plan of merger of hydro business into the Company. Except for the proposed merger scheme Entegra does not have any proposal, intention, negotiation or consideration to alter the capital structure by way of split/ consolidation of the denomination of the shares/ issue of shares on a preferential basis or issue of bonus or rights or public issue of Equity Shares or any other securities within a period of six months from the date of opening of the present Issue. However, if business needs of the Company so require, the Company may alter the capital structure by way of split/ consolidation of the denomination of the shares/ issue of shares on a preferential basis or issue of bonus or rights or public issue of shares or any other securities whether in India or abroad during the period of six months from the date of listing of the Equity Shares issued under this LOO or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required for such alteration.

The Board of Directors of Entegra at their meeting held on 19, December 2007 decided to merge the hydro business of SMHPCL into Entegra Limited. The Merger scheme is yet in the proposal stage and the detailed scheme is yet to be finalized and approved by all the companies Board of Directors. As on date SKG Power Ventures Pvt. Ltd. (SKGPV) is the 100% subsidiary of MW Infraholdings Pvt. Ltd. And SKGPV is holding 94.75 % shares of Shree Maheshwar Hydel Power Corporation Ltd. (SMHPCL) which Entegra had sold in 2006 and 2007 to SKGPV. The proposal is to merge SKGPV into Entegra Ltd. i.e. after merger SMHPCL will become again subsidiary of Entegra Limited. It is proposed that in the merger scheme the outstanding amount of Rs. 204.63 crs receivable by Entegra from SKGPV towards the consideration of sale of SMHPCL shares will be adjusted/dealt with appropriately in the accounting treatments of both the companies as may be advised by the Advisors to the issue. However, post merger quantification of change in Capital Structure and Investment of Entegra Ltd. would be known only after the approval of valuation and SWAP ratio by Board of the respective companies.

The Sale of SMHPCL shares by Entegra Ltd. to SKGPV is reflected as outstanding receivable amount of Rs. 204.63 crs. from purchaser i.e. SKGPV in the financials of issuer company.

17. The total numbers of shareholders in the company as on 04/07/2008 is 23,771.

## OBJECTS OF THE ISSUE

### The Present Issue is being made:

- To invest in the infrastructure for Renewable Energy (RE) business
- To acquire PSC Engineers Pvt. Ltd.
- To invest in the subsidiary company viz. Ennertech Biofuels Ltd. for setting up of Biodiesel Refinery.
- To invest in Shree Maheswar Hydel Power Corporation Limited for its 400 MW hydel power plant
- To repay the existing debts to the State Financial Institutions and Banks
- To meet the Working Capital requirement.
- To meet the Rights Issue expenses.

The Main Objects clause of the Memorandum of Association of the Company enables the Company to undertake the activities, which the Company has been carrying out till date and the proposed activities for which funds are proposed to be raised through this Rights Issue.

### Fund Requirements:

Sr. No	Particulars	Amount (Rs. In Lacs)
1.	Investment in the Infrastructure for Renewable Energy Business	2672.00
2.	Acquisition of PSC Engineers Pvt. Ltd.	995.00
3.	Investment in subsidiary – Ennertech Biofuels Ltd	1460.00
4.	Investment in Shree Maheshwar Hydel Power Corporation Ltd.	500.00
5.	Repayment of existing debts to the State Financial Institutions and Banks	6200.00
6.	Working Capital requirement	718.01
7.	Rights Issue Expenses	205.00
<b>Total</b>		<b>12750.01</b>

### Means of Finance

The entire requirements of fund as stated above shall be met through the proceeds of the present rights issue.

Note: The Company had earlier filed a draft letter of offer with SEBI during May 2007 with the following objects of the issue:

- To repay the existing debts to the State Financial Institutions and Banks
- To meet the Working Capital requirement.
- To meet the Rights Issue expenses.

Subsequent to filing of Draft Letter of Offer with SEBI there were significant changes in the business plan. This required changes in the objects of the issue. Hence the company withdrew the earlier draft letter of offer on December 19, 2007

### Use of the proceeds of the issue

The detailed break –up of the utilization of the proceeds of this issue are given below

#### 1. Investment in the Infrastructure for Renewable Energy Business

From the proceeds of the issue, Entegra proposes to invest Rs. 2672.00 lacs in Renewable Energy Business by setting up facilities for production of solar water heating systems, solar photo-voltaic based lanterns, home lighting systems, street and garden lights, traffic light systems as well for advertisement sign ages. Entegra is in the business of power generation and has a special focus on renewable energy sources like



hydro, water, wind, solar, biomass and green fuel. There is a large demand-supply gap in India for power. To bridge this gap and also to reduce the overall dependence on the depleting and non-renewable energy sources like coal, gas, naphtha etc., and focus is being shifted towards renewable energy sources. Entegra is involved in Solar thermal, Solar photo-voltaic system, Wind energy and biomass gasifiers. The company is also proposing investment in land for wind farms as well in manufacture of micro-wind turbines and biomass gasifiers.

Entegra has tied up with VRB Power Systems Inc., Canada for supply of the vanadium redox batteries (VRB) which will be used in RE projects. VRB Power Systems Inc. is an energy storage technology developer which is marketing, selling and manufacturing products utilizing the patented VRB Energy Storage System ("VRB-ESS™").

Entegra proposes to set up its RE projects in Maharashtra, Madhya Pradesh, and New Delhi at a total cost of Rs. 2672.00 lacs. The details of which are given as under:

(Rs. in lacs)			
Sr. No	Particulars	Amount	Amount
<b>1.</b>	<b>Setting up Manufacturing facilities in Maharashtra</b>		
	Land & Building	200.00	
	Plant & Machinery	520.00	
	Electrical Installation	40.00	
	Furniture and fixtures	40.00	<b>800.00</b>
<b>2.</b>	<b>Setting up Manufacturing facilities in Madhya Pradesh</b>		
	Land & Building	111.25	
	Plant & Machinery	289.25	
	Electrical Installation	22.25	
	Furniture and fixtures	22.25	<b>445.00</b>
<b>3.</b>	<b>Setting up Manufacturing facilities in New Delhi</b>		
	Land & Building	150.00	
	Furnitures and fixtures	30.00	
	Plant & Machinery	390.00	
	Electrical Installation	30.00	<b>600.00</b>
<b>4.</b>	R&D expenses on Solar Tower, solar concentrators etc.		<b>100.00</b>
<b>5</b>	Land acquisition for 100 MW wind power business (Rs. 2.5 lakhs/MW)		<b>250.00</b>
<b>6</b>	Data Processing Equipment		<b>5.00</b>
<b>7.</b>	Vehicles		<b>70.00</b>
<b>8.</b>	Pre-operative Expenses		<b>159.00</b>
	Total		<b>2429.00</b>
	<b>Add: 10 % Project Cost as Contingencies</b>		<b>243.00</b>
	<b>Total Project Cost</b>		<b>2672.00</b>

**Note:** Till date the company is under pre-operational stage in bio diesel area. The above costs are estimated by the company. The company has not received any quotation for any of the items as mentioned above. The Company is in the process of discussions with various land owners and machinery suppliers. The quotation for the various cost involved in the project shall be obtained in due course of time.

#### **Details of Plant & Machinery proposed to be used in RE Business manufacturing facilities:**

##### **A. Plant and Machinery - Maharashtra**

This will be an exclusive unit for producing Solar Water Heaters for home and industrial use.

(Rs. in lacs)

Sr. No	Particulars	Amount
<b>1.</b>	Solar Flat Plate: Black Nickel Chrome Plating Machine	320.00
<b>2.</b>	Solar Collector and Storage Tank Plant	200.00
	<b>Total</b>	<b>520.00</b>

## B. Plant and Machinery – Madhya Pradesh

This will be an exclusive unit for manufacturing Solar Photo Voltaic Modules of different capacities for various SPV applications

(Rs. in lacs)

Sr. No	Particulars	Amount
1.	Solar Photo Voltaic Module Manufacturing Plant	100.00
2.	SPV- Module and Cell Tester with Simulator	139.25
3.	Other Miscellaneous Fixed Assets	50.00
	<b>Total</b>	<b>289.25</b>

## C. Plant and Machinery – North India, Delhi

This facility will be used exclusively for manufacturing components for Solar Thermal Power Plants as well as for manufacturing of biomass gasifiers

(Rs. in lacs)

Sr. No	Particulars	Amount
1.	Solar Thermal Simulator Plant	250.00
2.	Manufacturing/assembly plant for Biomass Gasifier	140.00
	<b>Total</b>	<b>390.00</b>

No second machinery has been purchased or planned to be purchased through the proceeds of the issue.

## 2. Acquisition of Business:

From the proceeds of the issue, Entegra proposes to utilize an amount of Rs. 995.00 lacs towards acquisition of a company engaged in the power infrastructure business. This acquisition strategy would enable Entegra Limited to grow into different verticals like setting up of power substations, distribution & transmission lines for various power utility companies. Towards this objective, Entegra has entered into a Memorandum of Understanding dated 12/10/2007 with M/s. PSC Engineers Pvt. Ltd. (PSC) – Kolkatta. PSC was incorporated on 30/03/1985 and is having its registered office at 35 A, Hazra Road, Kolkatta and has been engaged in the business of dealing with turnkey projects for setting up Electric Substations up to 220KVA and transmission lines of up to 66 KVA along with sub stations. PSC has been promoted by Mr. Gurkiratsingh Ahluwalia and Mr. Mukesh Sood

Mr. G. Ahluwalia an M.Tech from IIT Kharagpur, began his career with Crompton Greaves Limited (CGL) as Engineering Projects Manager and thereafter ventured out independently in 1982 to form PSC Engineers Pvt. Limited with his colleague Mr. Mukesh Sood from CGL.

PSC specializes in the execution of turnkey projects for predominantly setting up:

- ◆ Switchyards
- ◆ Setting up power transmission and distribution lines
- ◆ Lightning installations
- ◆ Water pumping stations

As per the MOU with PSC, Entegra would acquire the 100% share holding of PSC comprising of 7,11,020 shares at a price of Rs. 140 per share aggregating to Rs. 9.95 crores. As per the MOU 80% of the value is to be paid before 31/12/2008 and the balance amount to be paid before March 2011. The valuation of Rs. 140 per share has been arrived at based on valuation report submitted by M/s. Avalon Consulting vide their report dated May 11,2007. There is no relationship between the promoters/directors of PSC Engineers and promoter/director of Entegra Limited.

## 3. Investment in subsidiary – Ennertech Biofuels Ltd. (Ennertech)

Entegra proposes to invest an amount of Rs. 1460.00 lacs in its 100% subsidiary M/s. Ennertech Biofuels Ltd. by way of equity participation. The above funds will be deployed by Enertech for setting up of Biodiesel Refinery of 10,000 TPA.

### About Ennertech:

Ennertech was incorporated on 12/07/96 with the main object of carrying on business in all types of Biofuel, Biodiesel, Green fuel etc. Ennertech is proposing to set up a Biodiesel refinery of 10000 TPA in first stage in Maharashtra at a total cost of Rs. 1460.00 lacs. Ennertech Biofuel presently is not carrying on any activities in the biodiesel or any other area. Biofuel would play an important role in meeting India's energy needs. Biodiesel which can be manufactured by the trans-esterification of vegetable oil which can be blended with diesel to reduce the consumption of diesel from petroleum and is gaining acceptance worldwide as good substitutes for diesel in the transportation sector. The Government of India has developed an ambitious National Biodiesel mission to meet 20% of the country's diesel requirements by 2011-2012. Biofuels also offer a number of environmental, social and economic advantages, including lower emissions of harmful pollutants, decreased greenhouse gas emissions; increased employment; increased energy security especially in rural areas, decreased dependence on oil imports and good fuel properties for vehicles.

Looking into the future of the Biofuel industry, Entegra proposes to finance the project of Ennertech by investing an amount of Rs. 1460.00 lacs through equity participation.

The cost of the project as estimated by the management of the company is as follows:

(Rs. in lacs)		
Sr. No	Particulars	Amount
1.	Land 1.5 acres (including development)	17.10
2.	Building and Civil Works	62.30
3.	Plant and Machinery	991.00
4.	Electrical Installation	7.50
5.	Furniture	3.50
6.	Data Processing Equipment	4.50
6.	Vehicles	40.00
7.	Pre-Operative Expenses	101.00
8.	Contingencies (10 % of Project Cost)	122.69
9.	Preliminary Expenses	35.00
10.	Margin money for working capital	75.00
<b>Total</b>		<b>1460.09</b>

### 4. Investment in Shree Maheshwar Hydel Power Corporation Ltd. (SMHPCL)

#### About SMHPCL

SMHPCL was incorporated on May 11, 1993 to implement, operate and maintain 400 MW Maheshwar hydroelectric project on the river Narmada. The project when completed is likely to generate 1361 million units of energy in an average year and 913 million units on 90% dependable year. SMHPCL has signed a Power Purchase Agreement with Madhya Pradesh State Electricity Board for a period of 35 years from the date of commercial operations for sale of power generated by this project

The Maheshwar Project was conceived in the seventies and in 1983 the initial project was finalized by the Narmada Valley Development Authority (NVDA) of the Government of Madhya Pradesh.(GoMP) . The Project was initially started under the auspices of NVDA, but being purely a power generation project was later handed over by the GoMP to the Madhya Pradesh Electricity Board (MPSEB) in 1988 for execution. The MPSEB did some preliminary works on the project including construction of coffer dam. In December, 1992 in line with the new policy of allowing participation of Private Sector in power generation, the GoMP awarded implementation of the 400 MW Maheshwar Project to the S.Kumars Group in the Private Sector. Accordingly Shree Maheshwar Hydel Power Corporation Limited (SHMPCL) was incorporated on 11/05//1993 as an independent company, as an executing arm of M/s. S.Kumars for implementing Maheshwar Hydel Power Station.

The Construction on the project was started in 1997. However, the work on the project got stalled in September 2001 due to various extraneous reasons impacting the financial tie -ups of the project

consequent on the sudden and unforeseen withdrawal of the American collaborating company, M/s. Ogden Energy Asia Pacific Ltd. from their commencement to contribute 48% of the total project equity.

The construction on the project, which had come to a standstill in September 2001 was resumed in November 2005. The construction on the project is now proceeding as per revised schedule and more than 60% of the total project work has been completed

SMHPCL was originally a subsidiary of Entegra. In the year 2006 Entegra decided to hive off its holding in SMHPCL to a special purpose vehicle, namely SKG Power Ventures Private Limited. The decision was taken as Maheshwar was long gestation project and there was no immediate revenue and also it required further capital of up to Rs. 375 crores to be raised to complete the project. The transfer of Entegra's holdings in SMHPCL was to enable SKG Power Ventures Private Limited to raise balance equity funding from private/strategic investors.

The decision taken by the Board in its meeting held on 1<sup>st</sup> March, 2006 for the disinvestment of its holding in SMHPCL to M/s. SKG Power Ventures Private Limited (SKGPV), a group company, was executed in tranches, details of which are mentioned herein below:

Date	No. of Shares sold to SKGPV
01/03/2006	10,60,00,000
30/06/2006	1,00,00,000
29/09/2006	1,00,00,000
15/11/2006	1,04,41,400
<b>Total</b>	<b>136441400</b>

The shares of SMHPCL were transferred at total consideration of Rs. 203 crores i.e. Equity share of face value of Rs. 10/- was sold at a price of Rs. 15/- per share as per the valuation done by independent valuer M/s. Vinod Kumar Jain & Co. Chartered Accountants vide their valuation certificate dated June 24, 2006.

The consideration amount was receivable in March, 2008 vide agreement dated March 1, 2006 between Entegra Infrastructures Ltd. and SKG Power Ventures Pvt. Ltd. (SKGPV). However pursuant to the decision of the proposed merger of hydro business into Entegra as taken in the meeting of the Board of Directors dated 19<sup>th</sup> December, 2007, the receivables from SKGPV will be appropriately dealt with at the time of Merger as per the advice of the advisors and valuers i.e. M/s. Grant Thornton.

Presently SKG Power Ventures Private Limited (SKGPV) holds 94.75 % of paid up capital of SMHPCL. SKGPV is a 100% wholly owned subsidiary of M/s. MW Infra Holdings Private Limited.

Further to the above, the means of finance of the project has been fully tied up with stand by guarantee from Power Finance Corporation for the equity of Rs. 37500 lacs. Accordingly the construction work resumed in the year 2006 and the project is scheduled to commission by June 2009. Presently SMHPCL is in the process of raising the equity of Rs. 37500.00 lacs and Entegra is proposing to part finance in the fund raising by investment in the equity out of the proceeds of the rights issue to the extent of Rs. 500.00 lacs.

## 5. Repayment of existing debts to State Level Financial Institutions and Banks

Entegra, through the proceeds of the rights issue proposes to repay certain existing debts to State Level Financial Institutions and Banks. The details of the same are given below

Name of the bank / institution	Principal amount borrowed (Rs. in lacs)	Purpose	Present Status
Madhya Pradesh State Industrial Development	4800.00	To invest in the Equity Share Capital of Shree	Presently the total amount payable is Rs. 6909.72 lacs*

Name of the bank / institution	Principal amount borrowed (Rs. in lacs)	Purpose	Present Status
Corporation Limited (MPSIDC)		Maheshwar Hydel Power Corporation Ltd	
Karnataka State Industrial Development Corporation (KSIDC)	500.00	For Preliminary and Pre Operative expenses for Wind Power Project proposed to be set up in Karnataka	An amount of Rs. 709.11 lacs was paid against full and final settlement from the proceeds of the Share Application Money brought in by the promoters of the company
Jankalyan Sahakari Bank Limited	300.00	Working Capital Requirement	An amount of Rs. 644.85 lacs was paid against full and final settlement from the proceeds of the Share Application Money brought in by the promoters of the company
<b>Total</b>	<b>5600.00</b>		

\* Entegra had borrowed an amount of Rs. 4800 lacs from MPSIDC as an inter corporate deposit (ICD). There had been a default in the repayment of the ICD due to delay in the implementation of the Maheshwar project. Entegra had approached MPSIDC for one time settlement of the dues and the same was accepted by MPSIDC as per their letter MPSIDC/ICD-Legal/2005/4661 dated September 16<sup>th</sup> 2005. Accordingly, the company was to pay Rs. 4800.00 lacs before the end of March 2007 and the balance amount of Rs. 2937.29 lacs in 9 Equal Quarterly installments starting from June 2007.

However, due to delay in raising of funds ,Entegra could clear dues to the extent of Rs. 2300 lacs only to MPSIDC and the dues payable and outstanding as on date stands at Rs 6909.72 lacs which includes principal amount of Rs. 2590.24 lacs, funded interest of Rs. 2937.29 lacs and interest accrued but not due of Rs. 1382.19 lacs.

The company proposes to pay part of the outstanding amount out of this issue proceeds. In the meanwhile, the company has applied to MPSIDC vide letter dated June 28, 2007 for amendment in OTS terms in line with the new OTS Policy declared by MPSIDC in May 2007 and is awaiting their approval.

## 6. Working Capital Requirement

The detailed calculation of the working capital requirement of Entegra which is partly to be funded through the proceeds of the issue is as under:

Particulars	Estimates as on 31/03/2009 (Rs. in Lacs)
<b>(A) Current Assets</b>	
Inventories	1091.67
Debtors	6619.00
Other Current Assets	2446.70
<b>Total Current Assets (A)</b>	<b>10157.37</b>
<b>(B) Current Liabilities &amp; Provisions</b>	
Creditors for Supplies & others	193.50
Provisions	700.00
<b>Total Current Liabilities (B)</b>	<b>893.50</b>
<b>Working Capital Gap (WCL) (A) – (B)</b>	<b>9263.87</b>
<b>To be financed by:</b>	
Rights Issue	<b>718.01</b>
Bank Borrowings	<b>5500.00</b>
Internal Accruals	<b>3045.86</b>

## Basis of estimation of working capital requirement

Particulars	No. of Days
Inventory	15
Debtors	76
Creditors	3

## 7. Issue Expenses

The break up of issue expenses is as given below:

(Rs. in Lacs)			
Sr. No.	Particulars	Amount	Total Amount
1	<b>Fees to the intermediaries</b>		
	a. Fees to Lead Managers to the Issue	97.19	
	b. Fees to Registrar to the Issue	6.00	
	c. Fees to SEBI and Stock Exchanges	21.25	
	d. Fees to Legal Advisor the issue	0.56	125.00
2	Printing & Stationery and Postage expenses		40.00
3	Advertisement and other Miscellaneous Expenses		40.00
	<b>Total Amount</b>		<b>205.00</b>

## Schedule of Implementation

Particulars	Commencement	Completion
Investment in RE business	March 2008	March 2009
Acquisition of PSC Engineers Pvt. Ltd.	December 2007	December 2011
Investment in Ennertech Biofuels Ltd.	August 2008	June 2009
Investment in Shree Maheshwar Hydel Power Corporation Ltd.	Already commenced	June 2009
Repayment of debts	partly paid	September 2008

## Sources and Deployment of Funds

As per Certificate given by Malpani & Associates, Chartered Accountants dated June 18, 2008, an amount of Rs. 10907.50 lacs has been spent on the various objects of the issue as on June 17, 2008. The details for which are as under

## Application of Funds

Particulars	Amount (Rs. in Lacs)
Repayment of Debts to Financial Institutions and Banks (Net)	3610.51
Current Assets including Advances and Deposits	7254.50
Rights Issue Expenses	42.49
<b>Total</b>	<b>10907.50</b>

## Sources of Funds

Particulars	Amount (Rs. in Lacs)
Share Application Money	10907.50

**Note:** The promoters have already brought in an amount of Rs. 10907.60 lacs towards share application money which will be adjusted towards their entitlement and subscription to unsubscribed portion if any, by the public shareholders

## Year Wise Break Up of Funds

(Rs. in lacs)

Particulars	2007-08	2008-09	2009-10	2010-11	Total Amount
Investment in RE	--	2672.00	-	-	2672.00
Acquisition of PSC Engineers Pvt. Limited	--	800.00	--	195.00	995.00
Investment in Ennertech Biofuels Ltd.	--	1460.00	--	--	1460.00
Investment in Shree Maheshwar Hydel Power Corporation Ltd.	--	500.00	--	--	500.00
Repayment of debts	3610.51	2589.49	--	--	6200.00
To meet the Working Capital requirements	--	718.01	--	--	718.01
Rights Issue Expenses	36.23	168.77	--	--	205.00
<b>TOTAL</b>	<b>4246.74</b>	<b>8308.27</b>	<b>--</b>	<b>195.00</b>	<b>12750.01</b>

## Interim Use of Funds

Pending deployment the funds raised through the rights issue would be deployed by the company judiciously in the fixed deposits of the Banks and other short term investment opportunities.

## Basic Terms of the Issue

The Equity shares being offered are subject to the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, the terms of this Letter of offer and other terms and conditions as may be incorporated in the Allotment advice and other documents /certificates that may be executed in respect of the issue. The Equity shares shall also be subjected to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, GOI, RBI, ROC and /or other authorities as in force on the date of issue and to the extent applicable



## BASIS FOR ISSUE PRICE

**(a) Earnings Per Share (EPS) as per restated financial statement**

Year Ended	EPS (Rs)	Weights
31/03/2005	2.60	1
31/03/2006	8.96	2
31/03/2007	3.05	3
<b>Weighted Average EPS</b>	<b>4.95</b>	

**Note :** EPS based on audited financial results for ten months period ended 31<sup>st</sup> January 2008 is Rs. 1.88 which translate into an EPS of Rs. 2.26 on annualized basis.

**(b) Price Earning Ratio (PE)**

Particulars	Offer Price of Rs. 25 /- per share
P/E (based on annualized EPS for the period ended 31/01/2008 of Rs. 2.26)	<b>11.06</b>
P/E(based weighted average EPS)	<b>5.05</b>

**(c) Return on Net worth (RONW) as per restated financial statement**

Year Ended	RONW (%)	Weights
31/03/2005	235.93	1
31/03/2006	89.42	2
31/03/2007	24.37	3
<b>Weighted Average RONW</b>	<b>81.31</b>	

**Note:** RONW for the ten months period ended 31<sup>st</sup> January, 2008 is 13.09%.

**(d) Minimum RONW required maintaining pre-issue weighted average EPS of Rs. 4.95 is 25.10 %**

**(e) Net Asset Value (NAV)**

Pre issue as on March 31, 2007 (Rs.)	12.50
Post Issue (Rs.)	19.70

**Note:**

- NAV as on 31<sup>st</sup> January 2008 is Rs. 14.40
- Net Asset Value Per Share = Equity Share Capital *plus* Reserves & Surplus *less* Miscellaneous Expenditure to the extent not written off /No. of Equity Shares

**(f) Industry P/E Ratio**

Highest (Tata Power Company Ltd. )	49.20
Lowest (Gujarat Industries Power Ltd.)	7.31
Industry Composite	20.60
<b>Source:</b> Capital Market Issue June 16-29, 2008; Segment- Power Generation and Supply	



### Comparison of key ratios with the companies in the same industry group

Company Name	Equity (Rs. in Cr.)	Book Value 31/03/2007 (Rs.)	Income for the year ended 31/03/2007 (Rs in Cr.)	EPS (Rs.)	P/E Ratio at the market price as on 20/06/2008
Energy Development Co. Ltd.	27.50	26.80	61.70	3.60	27.94
Gujarat Industries Power Co. Ltd.	151.25	71.30	795.60	11.80	7.31
Indowind Energy Ltd.	48.96	28.80	24.10	1.30	47.27
Tata Power Company Limited	230.59	320.30	4949.70	27.40	45.73
GVK Power & Infrastructure a Ltd.*	140.58	12.40	25.40	0.70	59.07
Suryachakra Power Corporation Ltd. *	76.63	17.70	104.40	0.30	66.50
Entegra Ltd.	51.00	12.50	197.18	2.51	13.07
<b>Source:</b> Capital Market Issue June 16-29, 2008; Segment- Power Generation and Supply					
* March 2008 Figures					

The Companies in the above list have been selected on the basis that they are listed Companies engaged in the business of development of renewable energy and providing advisory services. However, their performance may not be directly comparable with that of the company's business as they cater to different segments of the market and therefore their business portfolio will vary.

The Issue Price of Rs. 25/- per share at the Face Value of Rs.10/- per share of the Equity Shares being issued. The market price of the shares of the Company as on 20/06/2008 is Rs. 32.80 on BSE and Rs. 32.65 on NSE.

Considering the above factors, the issue price of Rs. 25/- per equity share is justified.

## STATEMENT OF TAX BENEFITS

**Entegra Ltd.**

S.kumars House  
Plot No. 60  
MIDC, Phase II  
Street 14, Andheri (East)  
Mumbai – 400 093

**Kind Attn : Shri V. K. Jain**

**Dear Sirs**

We hereby report that the enclosed annexure states “**General Tax benefits**” available to Entegra Limited (“the Company”) and its share holders under the current tax laws in force in India as amended by the Finance Act, 2008.

At present, the Company does not enjoy any “Special Tax Benefits”. All the above benefits are as per the current tax laws amended by the Finance Act, 2008 and will be available only to the sole/ first named holder in case the shares are held by joint holders.

We do not express any opinion or provide any assurance as to whether:

- The company or its shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/or would be met with.

For Malpani & Associates  
**Chartered Accountants**

Sd/-  
**Shyam Malpani**  
Proprietor  
M. No. 034171

Place: Mumbai  
Date: 16/06/2008

**Annexure to Statement of "General Tax Benefits" available to Entegra Limited and its shareholders:****1. INCOME TAX****A. To the Company:**

1. The Company will be entitled to claim depreciation allowance at the prescribed rates on tangible and intangible assets under section 32 of the Income Tax Act, 1961 (hereinafter is referred as "Act"). Subject to Company qualifying with the conditions as stated in section 32 (1) (ia) of Act as amended with effect from 01.04.2005, in respect of Plant & Machinery (other than Ships or Aircraft) acquired or installed after 31<sup>st</sup> day of March 2005, addition depreciation @ 20% shall be allowed.
2. The company is eligible under section 35D of the Act to a deduction equal to one-fifth of certain specific and qualifying expenditure, for a period of five successive years subject to the limits provided and conditions specific therein.
3. Income by way of dividend (as referred to in Sec 115-O of the Act) received from other domestic companies will be exempt from tax.
4. In accordance with the provisions of section 10(38) of the Act, long term capital gains arising on the transfer of securities shall be exempted from tax if such transaction is entered into on at recognized stock exchange in India and such transaction is chargeable to Securities Transaction Tax. Under Section 111A of the Act, Short term capital gains accruing to Company from transfer of short term capital assets, being securities, in a transaction entered into on a recognized stock exchange in India and such transaction is chargeable to Securities Transaction Tax shall be chargeable to tax @ 15% plus applicable surcharge and education cess.
5. Subject to the provisions of section 112 of the Act, Long term capital gains, other than those mentioned in 4 above, will be chargeable to tax @ 20% (plus applicable surcharge and education cess) with indexation benefit and @ 10% (Plus applicable surcharge and education cess) if computed without indexation benefit in case of shares.
6. The Company will be entitled to deduction of the whole of capital expenditure (other than on land) incurred on scientific research related to the business carried on by the Company in the year in which such expenditure is incurred, in accordance with the provisions of Section 35 of the Act.
7. Income in respect of Units from a Mutual Fund u/s 10(23D) of the Act will be exempt in the hands of the Company u/s 10(35) of the Act.
8. In accordance with and subject to the conditions specified in section 54EC and section 54ED of the Act, the company would be entitled to exemption from tax on long-term capital gain [not covered by Section 10(36) and Section 10(38) of the Act] if such capital gain is invested in any of the long-term specified assets (hereinafter referred to as the "new asset") to the extent and in the manner prescribed in the said sections. If the new asset is transferred or converted into money at any time within a period of three years in case of new assets specified in section 54EC and within a period of one year in case of new assets specified in section 54ED, from the date of its acquisition, the amount of capital gains for which exemption is availed earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred or converted into money.

**B. Benefits to the Members of the Company :-****B. 1. Residents :**

- (a) By virtue of Section 10(34) of the Act, dividend declared by the Company referred to in section 115-O of the Act is exempt from tax.
- (b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for the period of twelve months or more) being a transaction entered into in at recognized stock exchange in India and which is chargeable to Securities Transaction Tax, shall be exempt from tax. Under

Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in the company, which is subject to Securities Transaction Tax will be taxable under the Act @ 15% (plus applicable Surcharge and Education cess).

- (c) Subject to the Long term capital gains, other than those mentioned in (b) above, As per the provisions of Section 112(1) (a) and (b) read with proviso to Section 112(1) of the Act, long-term capital gains on transfer of the shares by an Individual, Hindu Undivided Family and Domestic Companies, computed without indexation of cost of acquisition, would be taxed at the concessional rate of 10% (plus applicable Surcharge and Education Cess) in accordance with the provisions of section 112 of the Act and @ 20% in case the same is computed subject to indexation benefit. In case of individuals and HUF's, where the total taxable income as reduced by long-term capital gain is below the basic exemption limit, the long-term capital gain will be reduced to the extent of the shortfall and only the balance long-term capital gain will be subjected to such tax in accordance with the provision to sub-Section (1) of Section 112 of the Act.
- (d) Subject to the Long term capital gains, other than those mentioned in (b) above, in accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, long-term capital gains tax arising on transfer of the shares of the Company shall be exempt from capital gains tax to the extent the gains are invested within six months from the date of transfer in the purchase of long-term specified assets.
- (e) Subject to the Long term capital gains, other than those mentioned in (b) above, in accordance with, and subject to the conditions and to the extent specified in Section 54ED of the Act, long-term capital gains tax arising on transfer of the shares of the Company shall be exempt from capital gains tax to the extent the gains are invested within six months from the date of transfer in acquiring equity shares forming part of an eligible issue of capital. In addition the shares should be held for at least one year.
- (f) Subject to the Long term capital gains, other than those mentioned in (b) above, in accordance with, and subject to the conditions and to the extent specified in Section 54F of the Act, long-term capital gains tax arising on transfer of the shares of the Company held by an individual or Hindu Undivided Family shall be exempt from capital gains tax in proportion to the net sales consideration utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years and the individual or HUF does not own any other residential house.

## **B. 2. Non Residents:**

- a. Dividend income received from Company qualifies for exemption under section 10 (34) of the IT Act.
- b. As per the provisions of section 10 (38) of the IT Act long term capital gains arising from the sale of the shares of the Company will be exempt from tax if the transaction is entered into in a recognized stock exchange in India and such transaction is chargeable to Securities Transaction Tax.
- c. As per the provision of Section 111 A, short term capital gains arising from the sale of Company's shares in a transaction entered into in a recognized stock exchange in India and such transaction is chargeable to Securities Transaction Tax, will be chargeable to tax @ 15% plus applicable surcharge and education cess.
- d. As per the provisions of section 112 of the IT Act, the long term capital gains from the transfer of the shares of the Company, otherwise than as mentioned above, shall be charged to tax:
  - i. @ 20% plus applicable surcharge and education cess, if the gains are computed after considering the benefit of indexation;
  - ii. @10% plus applicable surcharge and education cess, if the gains are computed without considering the benefit of indexation.
- e. Non Resident Indian members of the Company can elect to be governed by special provisions as

- enunciated in section 115 C to 115 I of the Income tax act, according to which exemption from capital gains tax is available subject to those complying with conditions stated in those sections.
- (i) Under Section 115E of the Act, any income from investment acquired out of convertible foreign exchange will be taxable at 20% (plus applicable Surcharge and Education Cess) while income from long-term capital gains on transfer of shares the Company acquired out of convertible foreign exchange shall be taxed at the rate of 10% (plus applicable Surcharge and Education Cess).
  - (ii) Under Section 115F of the Act, and subject to the conditions and to the extent specified therein, long-term capital gain arising to a Non-Resident Indian from transfer of shares of the Company acquired out of convertible foreign exchange shall be except from capital gains tax to the extent the net consideration is invested within six months of the date transfer of the asset in any specified asset or in any saving certificates referred to in clause (4B) of Section 10 of the A and the new asset is held for a period of at least three years.
  - (iii) Under Section 115G of the Act, it is not necessary for a Non-Resident Indian to file a return of income under Sector 139(1) of the Act, if his total income consists only of investment income and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Act.
  - (iv) Under Section 115H of the Act, where a Non-Resident Indian becomes assessable as resident in India in any subsequent year he may furnish to the Assessing Officer a declaration in writing along with the return of income for the assessment year for which he is so assessable to the effect that the provisions of Chapter XII-A of the Act shall continue to apply to him in relation to the investment income (other than on shares in the Company) derived from any foreign exchange asset as defined therein. On doing so, the provisions of Chapter XII- A of the Act shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion into money of such assets.
  - (v) Under Section 115I of the Act, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A of the Act for any assessment year, his total income for that assessment year (including taxable income arising from investment in the Company) will be computed according to the other provisions of the Act, and he will therefore be eligible to get concessions applicable to a resident individual and will be liable to tax accordingly.
- f. In accordance with, and subject to provisions of Section 48 of the Act, capital gains arising out of transfer of capital assets being shares in the Company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer of the capital assets into the same foreign currency as was initially utilised in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter and sale of shares of the Company. Cost indexation benefits will not be available in such a case.
- g. In accordance with, and subject to the conditions and to the extent specified in Section 54EC of the Act, long-term capital gains tax arising on transfer of the shares of the Company shall be exempt from tax to the extent the gains are invested within six months from the date of transfer in the purchase of long-term specified assets and are held for a period of 3 years.
- h. In accordance with, and subject to the conditions and to the extent specified in section 54ED of the Act, long-term capital gains tax arising on transfer of the shares of the Company shall be exempt from capital gains tax to the extent the gains are invested within six months from the date of transfer in acquiring equity shares forming part of an eligible issue of capital. In addition the shares should be held for at least one year.
- j. In accordance with, and subject to the conditions and to the extent specified in Section 54F of the Act, long-term capital gains tax arising on transfer of the shares of the Company held by an

individual shall be exempt from capital gains tax in proportion to the net sales consideration utilised, within a period of one year before or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years and the Individual or HUF does not own any other residential house.

**C. Foreign Institutional Investors:**

- (a) Income by way of dividend (referred to in Section 115-O of the Act) is exempt from tax Section 10(34) of the Act.
- (b) Under Section 115AD capital gain arising on transfer of short term capital assets, being shares and debentures in a company, are taxed as follows:
  - i) Short term capital gain on transfer of shares entered in a recognized stock exchange which is subject to Securities Transaction Tax shall be taxed @ 15% (plus applicable Surcharge and Educational Cess): and
  - ii) Short term capital gains on transfer of shares/debentures other than those mentioned above would be taxable @ 30% (plus applicable Surcharge and Education Cess).
- (c) Under Section 54EC of the Act, Capital gain arising from transfer of long term capital assets (other than those exempt u/s 10 (38) shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in specified bonds and the bonds are held for a period at least three years.
- (d) Under Section 54ED of the Act, capital gain arising from transfer of long term capital assets, being listed securities or units (other than those exempt u/s. 10 (38), shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain is invested in public issued of equity shares issued by an Indian Public Company within a period of six months from the date of such transfer. If only a part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new equity shares are transferred or converted into money within one year from the date of their acquisition. In addition the shares should be held for at least one year.
- (e) As per section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

**Note:** *There is a legal uncertainty over whether a FII can elect to be governed by the normal provisions of the Act, instead of the provisions of section 115AD. Investors are advised to consult their tax advisors in this regard.*

**D. Mutual Funds**

In case of a shareholder being a mutual fund, as per the provisions of section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made hereunder, mutual funds set up by public sector banks or public financial institutions and mutual funds authorised by the Reserve Bank of India are exempt from income-tax, subject to the conditions notified by Central Government in this regard.

**E. Infrastructure Capital Companies/Funds or Co-operative Bank:**

As per the provisions of Section 10(23G) of the Act, any income by way of dividends [ other than dividends referred to in section 115-O], interest or long-term capital gains of an infrastructure capital fund or an infrastructure capital company [or a co-operative bank] from investments made on or after the 1st day of June, 1998 by way of shares or long-term finance in any enterprise or undertaking wholly engaged in the business referred to in sub-section (4) of section 80-IA or sub-section (3) of section 80-IAB or a housing project referred to in sub-section (10) of section 80-IB or a hotel project or a hospital project and which has been approved by the Central Government on an application made by it in accordance with the rules made in this behalf and which satisfies the prescribed conditions :

**Provided** that the income, by way of dividends, other than dividends referred to in section 115-O, interest or long-term capital gains of an infrastructure capital company, shall be taken into account in computing the book profit and income-tax payable under section 115JB.

Explanation 1.

For the purposes of this clause,

- (a) infrastructure capital company means such company as has made investments by way of acquiring shares or providing long term finance to an enterprise wholly engaged in the business referred to in this clause;
- (b) infrastructure capital fund means such fund operating under a trust deed registered under the provisions of the Registration Act, 1908 (16 of 1908) established to raise monies by the trustees for investment by way of acquiring shares or providing long-term finance to an enterprise wholly engaged in the business referred to in this clause;
- (c) long-term finance shall have the meaning assigned to it in clause (viii) of sub-section (1) of section 36;
- (d) co-operative bank shall have the meaning assigned to it in clause (dd) of section 2 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961);
- (e) interest includes any fee or commission received by a financial institution for giving any guarantee to, or enhancing credit in respect of, an enterprise which has been approved by the Central Government for the purposes of this clause;]
- (f) hotel project means a project for constructing a hotel of not less than three-star category as classified by the Central Government;
- (g) hospital project means a project for constructing a hospital with at least one hundred beds for patients.]

Explanation 2.

For the removal of doubts, it is hereby declared that any income by way of dividends, interest or long-term capital gains of an infrastructure capital fund or an infrastructure capital company from investments made before the 1st day of June, 1998 by way of shares or long-term finance in any enterprise carrying on the business of developing, maintaining and operating any infrastructure facility shall not be included and the provisions of this clause as it stood immediately before its amendment by the Finance (No. 2) Act, 1998 (21 of 1998) shall apply to such income

## **II. WEALTH TAX**

- (A) Assets as defined under Section 2(ea) of the Wealth-tax Act, 1957 do not include shares in companies and hence, these are not liable to wealth-tax.

## **III. GIFT TAX:**

- (A) Gift tax is not leviable in respect of any gifts made on or after 1<sup>st</sup> October, 1998. Therefore, any gift of shares will not attract gift-tax.



**Notes:**

In respect of non residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.

In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor, with respect to specific tax consequences of his/her anticipation in the issue.

The above statement of possible direct and indirect taxes benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequence, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out due to their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- The company or its shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/or would be met with.

For **Malpani & Associates**  
**Chartered Accountants**

Sd/-  
**Shyam Malpani**  
Proprietor  
M. No. 034171

Place: Mumbai  
Date: 16/06/2008



### SECTION III - ABOUT COMPANY

*The Industry information presented in this section has been extracted from publicly available documents, which have not been prepared or independently verified by the Company, the Lead Managers or any of their respective affiliates or advisors or the sources referred to herein.*

*In this Section, we have relied on and referred to information regarding the industry and competitors from market research reports, and other publicly available sources. Although we believe that this information is reliable, we have not independently verified the accuracy and completeness of the information.*

#### **Power Sector Scenario in India**

Power is a critical infrastructure for economic development and for improving the quality of life. The achievement of increasing installed power capacity from 1362 MW to over 100,000 MW since independence and electrification of more than 5,00,000 villages is impressive in absolute terms. However, it is a matter of concern that the per capita power consumption of India, at about 350 KWH is among the lowest in the world. Further, people in a large number of villages have no access to electricity.

Historically, Central and State government entities played the dominant roles in the development of the Indian power industry. However, capacity growth did not keep pace with demand, due to inadequate investment and the poor financial health of the State Electricity Boards. In recent years, however, in light of persistent shortages, the Government has taken significant action to restructure the industry and attract investment. This has included measures to restructure the State Electricity Boards and improve their financial health. In addition, the Government has liberalized policies relating to the generation and distribution sectors.

On account of inadequate generation capacity, the country is plagued by power shortages. The total energy shortage, during 2000-2001 was 39,816 million units, amounting to 7.8 percent and the peak shortage was 10,157 MW translating to 13 percent of peak demand. Based on the demand projections made in the 16<sup>th</sup> Electric Power Survey, over 1,00,000 MW additional generation capacity needs to be added by 2012 to bridge the gap between demand and supply of power.

The ministry has taken a comprehensive and realistic review of the various power projects to priorities those, which can be commissioned in the X and XI plans. Based on this review, a capacity addition target of 46,500 MW has been tentatively fixed for Central Public Sector Undertakings under the Ministry of Power. At the State Level, the SEBs /State utilities and private sector will add about 41,800 MW. For optimal development of the electricity energy in its totality, an integrated approach, including capacity addition through nuclear and non – conventional energy, has been adopted. The capacity addition targets of 6400 MW through nuclear power and 10,700 MW through non – conventional resources have been accordingly fixed for the period up to 2012.

The large coal reserves in the country provide a ready and economical resource and ensure energy security. Hence, coal has been identified as the mainstay fuel for power generation till 2012. Emphasis has been laid on setting up large pit head stations to avoid high costs associated with transportation of high ash bearing Indian coal and overstraining the already stretched rail network.

(Source: [www.powermin.nic.in](http://www.powermin.nic.in))

This segment involves generation of electric power from fossil fuels like gas, coal, oil etc., renewable energy sources covering different forms such as solar, wind, biomass, small hydro, geothermal, tidal, wave etc and nuclear material using various technologies.

#### **Private Sector Participation**

The initial response of domestic and foreign investors to the policy of private participation in the power sector had been encouraging. However, many projects have encountered unforeseen delays in the

finalization of power purchase agreements, guarantees and counter- guarantees, environmental clearances, matching transmission networks and legally enforceable contracts for fuel supplies. One of the most important impediments to private participation was the bankruptcy of the monopoly purchaser the SEBs. That necessitated complex payment security mechanisms for achieving financial closure. Further, the high tariff of power from some of the commissioned independent power projects (IPPs) due to factors such as high cost of liquid fuels, risk factor involved and unrealistic forecast for future growth of demand etc, have prevented full utilization of available capacities. With the power sector reforms already set in motion, these problems are expected to be sorted out in due course.

### Power Supply Position

The actual power supply position during 2006-07 (end of 10<sup>th</sup> plan ) is given below

Year	Peak				Energy			
	Requirement (MW)	Availability (MW)	Surplus(+) / Shortage (-) (MW)	Shortage/ Surplus	Requirement (MW)	Availability (MW)	Surplus(+) / Shortage (-) (MW)	Shortage/ Surplus
2006-07	100715	86818	-13897	-13.80	690587	624495	-66092	- 9.60

The National Electricity Policy "Power for all by 2012" and per capita availability of power to be increased to over 1,000 units by 2011-12. To achieve this, a total capacity addition of about 1,00, 000 MW is required .To meet the energy generation requirement of 1038 BU and a peak load of 1,52,746 MW with diversity and 5% spinning reserve, a capacity of about 82,500 MW is required during 11<sup>th</sup> plan. Based on the 10<sup>TH</sup> plan actual capacity addition of 21,180 MW , a capacity of 78,577 MW comprising of 39,865 MW (50.70 %) in central sector, 27952 MW (35.60 %) in state sector and 10,760 MW( 13.70 %) in private sector has been proposed during 11<sup>th</sup> plan. It may be stated here that out of 78,577 MW ,220 MW (Kaiga U3) has been commissioned and projects totaling to 48,955 MW (62.30 % of the proposed capacity) are already under construction.

### Summary of Installed Capacity

The total Installed capacity in India at the end of 10<sup>th</sup> plan (as on March 31<sup>st</sup> 2007) was 1, 32,330 MW.

Sector	Hydro	Coal	Lignite	Gas	Diesel	Nuclear	R.E.S.	Total
Central	7562	25270	2490	5899	0	3900	0	45121
State	25786	38530	590	3610	605	0	976	70096
Private	1306	3741	500	4183	597	0	6785	17113
<b>Total</b>	<b>34654</b>	<b>67541</b>	<b>3580</b>	<b>13692</b>	<b>1202</b>	<b>3900</b>	<b>7761</b>	<b>132330</b>

Renewable Energy Sources (R.E.S.) includes Small Hydro Project, Biomass Gas, Biomass Power, Urban and Industrial waste power and wind energy

**(Source: key inputs for accelerated development of Indian Power Sector for 11<sup>th</sup> Plan and beyond)**

## BUSINESS OVERVIEW

The Company was originally incorporated on 10/02/1995 with the main objects to carry on the business of development of Power Projects. The Company started its activities as developer of power projects through the Special Purpose Vehicle – Shree Maheshwar Hydel Power Corporation Ltd. for setting up of Hydel Power Project of 400 MW in the State of Madhya Pradesh. Entegra was given the Engineering Procurement and Cost Control (EPCC) contract for the project and it derived income from the consultancy services provided as per the terms of the contract. The Construction on the project was started in 1997.

During 1999-2000, the company started an Information Technology (IT) division to provide IT enabled services. This division was demerged and a new company Induj Infotech Ltd. (now known as Unitex Designs Ltd.) was formed in 2001.

The work on the Hydel Power project got stalled in September 2001 due to sudden and unforeseen withdrawal of the American collaborating company from the project thus impacting the financial tie-ups of the project. In the year 2006 Entegra hived off its holding in SMHPCL to a special purpose vehicle, namely SKG Power Ventures Private Limited.

In order to have regular cash flows Entegra diversified its activities and started dealing in infrastructure commodities such as fuel oil supplies to the energy sector, iron ore and steel during 2005-06.

During 2007 Entegra applied to Ministry of Commerce & Industry for developing an area as a SEZ called “Renewable Energy Corridor” at Nagpur in the State of Maharashtra. The application is still under process and the company is awaiting the approval of the same. The Renewable Energy Corridor at Nagpur is being developed in partnership with Indian Renewable Energy Development Agency Ltd. (IREDA) as modern facility for manufacturing equipments of clean energy including Wind, Solar, Biomass, Hydel and Geothermal / Tidal / Fuel Cell / Hydrogen etc. This corridor is being set up on approx. 1000 acres land. The project feasibility study is being conducted.

During the year 2006-07 Entegra expanded into development of renewable energy sources like bio-fuels, solar and wind. To focus on the different opportunities available and to create a core brand value around a sustainable business approach, Entegra created dedicated teams and three branded service offerings:

- **EnnerGreen Resources** : to implement and run Renewable Energy generation projects;
- **EnnerGreen Solutions** : to offer Renewable Energy solutions to residential, commercial and industrial facilities;
- **Ennertech Projects**: to provide EPC services, project management, infrastructure commodity trading and advisory services.

Entegra intends to leverage the opportunities for wind energy in India and become a prominent player. It has in place a partnership with Bora Wind AG, a Swiss firm which has a wide experience in implementing wind energy projects across the globe. Entegra proposes to install 100 MW capacities (grid connected) wind farms and is currently in the process of identifying suitable land for the said project in the state of Maharashtra, Karnataka, Madhya Pradesh, Goa & Rajasthan. It is proposed to install 125 units each of 800 KW Wind Energy Generator (WEG) capacity. The total area required for this will be 250 acres considering 2.5 acres per MW. The total cost of the project as estimated by the company is around Rs.610.37 crores.

The EnnerGreen Solutions division has been set up to offer integrated renewable energy solutions to residential, commercial and industrial facilities Entegra offers integrated solutions using combinations of different sources of renewable energy and energy-saving devices to enable smart-energy facilities. The business model is one where Entegra offers these solutions as a technology provider, consultant or a turnkey project implementer.

The first project is to develop a world-class integrated renewable energy facility for Palais Royale, a landmark residential building in Worli, Mumbai. The project is already underway and is expected to be

complete two years from now. The project involves installing Solar Water Heating Systems for about 100 apartments and swimming pool. It also includes installation of a small wind turbine, stand-alone solar photovoltaic systems and an offsite wind turbine; Entegra will also incorporate energy saving technologies like Light Emitting Diode (LED) lighting for staircase. Entegra is also providing renewable energy solutions for an 83-acre knowledge park close to Delhi; the project is located 35 kilometers from Connaught Place on NH-24, Ghaziabad.

Entegra has already started marketing renewable energy products such as solar heating systems for industrial and institutional use. Entegra has already implemented two orders: The first is for setting up 2 solar water heaters at a Military hospital having a capacity of 100 litres/day and 300 litres/day; the second project involves setting up 5 water heaters of different capacities at the Sultania Infantry and EME centre. Entegra will also offer solar drying systems for agro products and solar photovoltaic hybrid systems for residential use.

## **INFRASTRUCTURE FACILITIES AND UTILITIES**

### **Location**

The Registered Office of the Company is situated at Plot No.60, S. Kumars House, MIDC, Phase II, Street No. 14, Andheri (E), Mumbai- 400 093. The said office which is having an area of 16000 sq.ft has been taken on lease from S. Kumars Retailer Services Private Limited and an amount of Rs. 10,000/- per month is being paid towards lease rent.

The Head Office is situated at 205/206, Laxmi Plaza, Laxmi Industrial Estate, Link Road, Andheri (W), Mumbai- 400 053. The total area occupied is about 2,650 square feet and it is fully equipped with all the modern amenities. The said premise has been taken on leave and license agreement from Mustan A Tambawala, and a monthly license fee of Rs. 2.00 Lacs for a period of 36 months vide Leave and license Agreement dated April 19, 2007 w.e.f. May 01, 2007 is being paid.

The owner of the premise is not related with the company/ promoters and considering the prevailing market price in the area, the rent amount is reasonable.

Apart from the above, Entegra has set up the Branch Offices at Barbil in Orissa, Hospet in Karnataka Bhopal in Madhya Pradesh and in Delhi.

**Raw Material:** The Company currently outsource its business hence no raw material is been purchased and put into use.

**Power:** At present the company has three phases power connection in all the offices sanctioned by the local utility suppliers Reliance Energy Limited and State Electricity Board .In the proposed project the company will require approximately 50 KVA power which will be sourced from the concerned local utility supplier

**Water:** Water is required for human consumption only which is sourced from the local authorities wherever the offices are located

## Property

The Object of the right issue proceeds not for the purchase of any property. However the company has the following existing properties

Sr. No.	Description of the Property	Name of Seller / Licensor & Address	Date of Agreement	Annual Ground Rent
1.	<b>Registered Office</b> Plot No.60, S. Kumars House, MIDC, Phase II, Street No. 14, Andheri (E), Mumbai-400 093.	S. Kumars Retailer Services Private Limited  S. Kumars House, Plot No.60, MIDC, Phase II, Street No. 14, Andheri (E), Mumbai-400 093.	1 <sup>st</sup> March, 2007 (Leave and License Agreement for a period of 11 months started from March 1, 2007)	1.20
2.	<b>Head Office</b> 205/206, Laxmi Plaza, Laxmi Industrial Estate, Link Road, Andheri (W), Mumbai-400 053	Mustan A Tambawala  1403/4, Premium Tower, Old Lokhandwala Complex, Andheri (W), Mumbai-400 053	19 <sup>th</sup> April, 2007 (Leave and License Agreement for a period of 36 months started from May 01, 2007)	24.00
3.	<b>Branch Offices Orissa</b> Plot No. 329/2428, Unit No.7, Barbil Municipality, Orissa	Arjun Kumar Chhetri  Village/P.O.—Nalda, P.S. Barbil, Distt-Keonjhar (Orissa)	7 <sup>th</sup> December, 2006 (Agreement for letting out the House for a period 11 months started from 7 <sup>th</sup> December, 2006)	0.72
4.	<b>Branch Office Madhya Pradesh</b> E- 7/642, Area Colony Bhopal Madhya Pradesh	Sudeep Banerjee C-1/83, Bapa Nagar, New Delhi-110003	15 <sup>th</sup> May, 2007 (Leave and License Agreement for a period of 11 months started from 15 <sup>th</sup> May, 2007)	3.00
		Sudeep Banerjee C-1/83, Bapa Nagar, New Delhi-110003	15 <sup>th</sup> May, 2007 (Leave and License Agreement for a period of 11 months started from 15 <sup>th</sup> May, 2007)	0.60
5	<b>Branch Office Karnataka</b> 206/A, 22 <sup>nd</sup> Ward, Arvind Nagar, Hospet, Karnataka	Mrs. B.N. Vidya Ruthu House No. 260/A, Ward No. 22, Arvindnagar, Hospet, Karnataka	1 <sup>st</sup> September 2007 (Leave and Lease Agreement for a period of 22 months started from 1 <sup>st</sup> September 2007)	0.60
6.	<b>Branch Office New Delhi</b> Flat No. 502/503, 30/31, Raja House, Nehru Place, New Delhi – 11 0019	MW Infraholdings Private Limited Niranjan 99, Marine Drive, Mumbai – 400 002	NOC dated November 06, 2007 has been entered into with the lessor for the use of premises.	

## Human Resources

The present strength of the Company is 27 employees. The Company has engaged 7 Senior and 10 Middle managerial staff for Finance, Technical & Commercial aspects and 10 other supporting staff to ensure the proper functioning of the Company.

Sr. No	Level	No. of Employees
1	Senior Management	7
2	Middle Management	10
3	Others	10
Total		27

Presently the existing manpower is sufficient to handle the estimated growth of the Company. The company shall take necessary steps for recruitment of additional manpower as and when required. Further the above 27 employees does not include any labourers. The labour requirement is outsourced on project to project basis.

## Competition

### a. Commodity Trade

Commodity trade in India is growing very fast keeping pace with the overall growth of the Country's Economy. Commodity Exchanges are also playing positive role in the growth of the Commodity Trade. Commodity sector is influenced by the demand and supply scenario in the global markets.

Entegra Ltd is primarily dealing in to infrastructure related Commodities like Iron Ore and Steel. The demand of all these commodities is growing very fast and is governed by the growth in steel sector.

China is the major importer of Iron ore. India, Brazil, Australia are the major suppliers of Iron ore. In India almost 70% Iron Ore mines are privately owned while 30% are with the State Governments. Rio Tinto (Brazil), BHP Billiton (Australia) are major International players. In India, Adani, Noble, Focus are some of the Companies along with Entegra Ltd playing the intermediaries role.

### b. Renewable Energy

The market in India for RE business is estimated at \$600 million and is growing at an annual rate of 25- 30 percent. Total investment in RE business is estimated to be about \$3 billion. A total of 10,175 MW of renewable electricity generation capacity has already been installed out of which wind power accounts for 7,230 MW. The share of RE power in the country's total generation capacity stands at 8 percent. The installed RE capacity in India, is forecasted to reach 20,000 MW by 2012

#### i Solar Energy:

There are many opportunities available for companies to offer their expertise and equipment for solar PV and solar thermal (Solar water heaters/solar dryers etc) systems. India imports silicon material, wafers to manufacture solar cells, raw materials and components (solar cells, modules and PV systems). India is the third largest producer of silicon solar cells in the world. Solar thermal particularly solar water heaters have enormous potential with a payback of 2-3 years. The estimated potential for solar is 20 MW / Sq Km.

Major Competitors in Solar energy products are as follows:

#### Solar Photovoltaics:

Tata BP Solar, Moser Baer, Suntechnics, Bharat Heavy Electricals Ltd., Central Electronics Ltd., Kotak Urja Pvt. Ltd., Maharishi Solar Technology Pvt. Ltd., Photon Energy Systems, Titan Energy Systems Ltd., Webel SL Energy Systems Ltd., Udhaya Energy Photovoltaics (P) Ltd., Rajasthan Electronics & Instruments Ltd., Premier Solar Systems (P) Ltd., Microsol Power P Ltd., EMMVEE Solar Systems Pvt Ltd. Ammini Solar Pvt.Ltd., Bharat Electronics Limited.

**Solar Thermal**

Solchrome Systems India Limited, Cascade Helio Termics Limited, Sunlit Solar Energy (P) Ltd, Merloni Termosanitari (I) Ltd, Goodsun Industries, Akson`S Solar Equipments Pvt Ltd, Savemax Solar Systems Pvt Ltd, Machinocraft, Solar Vision Agro Industries, Solar Product Company, Jain Irrigation Systems Ltd., Sudarshan Saur Shakti Pvt Ltd, Bipin Engineers (P) Ltd Sundrop Solar Systems, Sintex Industries Ltd., Shri Shakti Alternative Energy Limited, Sri Sundaram Solar Solutions.

**ii. Wind Power:**

Wind power has a large RE generating potential in India. As per Ministry of New and Renewable Energy (MNRE), GOI the potential is 45,195 MW. Opportunities exist for component manufacturers to become suppliers to wind equipment manufacturers. There is a huge demand for wind-turbines and windmill blades, which generate cheap eco-friendly energy.

**Major competitors in Wind Energy are**

Ms. Enercon (India) Ltd., Ms. Pioneer Wincon Pvt. Ltd, Southern Windfarms Ltd., Suzlon Energy Ltd., Vestas Wind Technology India Private Ltd., India Wind Power Ltd., Elecon Engineering Company Ltd., Vestas RRB India Ltd., Shriram EPC Ltd.

**iii. Biomass Energy:** As per MNRE biomass which includes agro, bagasse (sugar mills) and forest waste has an estimated potential of 20000 MW.

**Some of the Major Biomass competitors are**

Energreen Power Ltd., Ankur Scientific Energy Technologies Pvt. Ltd., Cosmo Powertech Pvt Ltd., Ms. Netpro Renewable Energy India Ltd., Rishi Pooja Energy And Engineering Company, Bioresidue Energy Technology Pvt. Ltd., Associated Engineering Works, Grain Processing Industries India Pvt. Ltd.

**Marketing Set-up**

Entegra Limited has its Head office in Mumbai and branch offices at -Barbil in Orissa , Bhopal in Madhya Pradesh ,Hospet in Karnataka and NewDelhi

Various marketing activities such as renewable energy services, consulting , Infrastructure commodity trading are carried out from these offices . Each Office is headed by senior managerial personnel having relevant experience.

**Marketing Strategy**

Entegra procures the business by participating in Government/Public Sector tenders and by direct marketing to Private Sector. Entegra also proposes to expand its business by acquiring existing companies in the area of renewal energy and EPC.



## Collaborations

The Company has signed Memorandum of Understanding for technical/ marketing collaboration with the companies in the field of Renewable Energy Business. The details of the companies are as follows.

Name of the Company	Services Offered/Type of Business	Date of MOU/Agreement	Nature/Purpose of Agreement
M/s. Borawind AG, Switzerland	Development of Wind Power Projects across the Globe	MOU dated June 01, 2007	For exploring & exploiting the wind energy business in India
Solar Heating and Power Corporation (SHAP). Italy	Manufacturers fluidized bed combustors for biomass and waste combustion and Solar Concentrators	Joint Ventrue vide their MOU dated July 24, 2007	Delivering and developing R & D projects into design, built, operate, maintain electrical power stations, fueled by alternative and Renewable sources
VRB Power Systems Inc. Cananda	Manufacturers of vanadium redox batteries	MOU dated November 03,2007	Providing Energy Storage Systems
Pirelli & C Ambiente Renewable Energy, Milan	Converting municipal waste into fuel	MOU dated August 24,2007	To provide the technology of converting municipal waste into fuel
Suntechnics Energy Systems Pvt. Limited, Banglore	Provides Renewable solution to the end	MOU dated January 17,2007	System design for the product, delivery of all major system components
Machinocraft, Pune	Manufacturers appliances dealing with renewable energy viz solar water heating systems, wind solar hybrid systems etc.	MOU dated September 25,2007	To supply the RE products to the company
Warm Stream, Vithal Udyognagar, Gujarat	Manufacturers appliances dealing with renewable energy viz. wind solar hybrid systems, small wind aero generators etc	MOU dated November 2007	To supply the RE products to the company
Akson Solar Equipments Pvt. Limited, Kothrud, Pune	Manufacturers appliances dealing with renewable energy viz. wind solar hybrid systems, small wind aero generators etc	MOU dated December 18,2007	To supply the RE products to the company
Bipin Engineers Pvt. Ltd., Pune	Manufacturers appliances dealing with renewable energy viz. wind solar hybrid systems, small wind aero generators etc	MOU dated December 18,2007	To supply the RE products to the company



Name of the Company	Services Offered/Type of Business	Date of MOU/Agreement	Nature/Purpose of Agreement
Ankur Scientific Energy Technologies Pvt. Ltd. , Vadodara, Gujarat	Provides the technology of bio-mass/gasification based power /thermal projects.	MOU dated January 03,2008	To participate in the consortium for bidding the bio-mass/gasification based, power /thermal projects

**Note:** Presently all the collaboration agreements as mentioned above are continuing in nature and operational.

**Details of the loans sanctioned :**

(Rs. In Lakhs)

Sr. No.	Name of the Lender	Facility	Principal Outstanding as on 31.01.08	Principal Outstanding as on 31.03.07	Rate of Interest	Repayment Schedule	Security
1.	ICICI Bank Ltd. (Honda Civic)	Vehicle Loan	9.28	-	11.99%	60 Equal Monthly Installments	Note-1
2.	ICICI Bank Ltd.	Vehicle Loan	2.24	4.10	8.75%	60 Equal Monthly Installments	Note-1
3	ICICI Bank Ltd.	Vehicle Loan	4.22	-	11.78%	60 Equal Monthly Installments	Note-1
4	Bank Overdraft-Yes Bank Ltd.	Cash Credit	71.59	-	15.50%	On Demand	Note-2
	<b>Total</b>		<b>87.33</b>	<b>4.10</b>			

**Note:**

- 1) Secured by way of hypothecation of financed assets.
- 2) Cash Credit and Bank Guarantee facilities are secured by exclusive charge over all the current assets of the Company, pledge of 40.63 Lacs Equity shares of the Company by an associate company and by a Corporate guarantee of the said associate company in favour of the Bank.

## **SWOT Analysis of Entegra**

### **Strengths**

1. The Board of the company is well balanced with members having qualification and relevant experience of various fields like Management, Finance, Legal and Accounts and they have hands-on experience to provide effective leadership to manage the operations of the company..
2. The company has sufficient technically qualified and experienced manpower to conduct its business.
3. The company has entered into various strategic partnerships with companies like Borawind AG, SHAP, VRB Power Systems and Pirelli to support in its growth.
4. Development of 400 MW Hydro Project has made the company a key player in the Hydro Sector.

### **Weaknesses**

1. The company does not have any manufacturing facilities as of today and relies on outsourcing model.

### **Opportunities**

1. There is a huge gap between current capacities and estimated potential based on Renewable sources.
2. The market in India for RE business is growing at annual rate of 25-30%. As India has cost advantage over other countries, the export in the sector will grow at faster pace making proposed SEZ in RE Sector a need.
3. Renewable Energy being a clean power is encouraged by all the countries and the initiatives like Kyoto Protocol has been taken to make the sector more rewarding.
4. Only 17% of total hydro potential of 250000 MW has been harnessed so far leaving a large opportunities for the Industry.

### **Threats**

1. Cost of power based on RE is still higher as compared to the cost of power based on conventional sources and therefore various fiscal benefits are offered by the Government to promote RE sector. Changes in the Government Policies may affect the growth of this industry.
2. Competition from larger national & international players.

## REGULATIONS AND POLICIES

The material laws and regulations that may be applicable to the Company as and when it undertakes specific projects, include the following:

### 1. Electricity Act, 2003

The Electricity Act, 2003 ("Electricity Act") was enacted with effect from June 10, 2003, repealing and replacing the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998. The Electricity Act seeks to provide for demarcation of the roles of generation, transmission and distribution to provide for individual accountability of each. The main features of the Electricity Act include the following:

- ◆ de-licensing generation, making captive-generation freely permissible, but hydro projects require approval of the State Government and clearance of the CEA for the projects with capital expenditure exceeding limits proposed by the Central Government, which would go into the issues of dam safety and optimal utilization of water resources;
- ◆ establishment of Transmission Utility at the Central as well as State level, which would be a Government company and would have responsibility of ensuring that the transmission network is being developed in a planned and coordinated manner to meet the requirements of the sector;
- ◆ providing open access for transmission, distribution and trading;
- ◆ specifying technical standards, grid standards and safety requirements;
- ◆ introducing power trading as a distinct activity from power generation, transmission and distribution;
- ◆ prescribing the functions and duties of CEA, which was constituted under the Electricity (Supply) Act, 1948 and continuing under the Electricity Act;
- ◆ prescribing the respective functions of the Central and State Regulatory Commissions, which were constituted under the Electricity Regulatory Commission Act, 1998 and continuing under the Electricity Act;
- ◆ formulating of National Electricity Policy;
- ◆ formulating of National Tariff Policy;
- ◆ provides for restructuring of the State Electricity Boards; and
- ◆ conferring power of determination of the tariff with the Central and State Regulatory Commissions.

### 2. Environment Protection Act, 1986, and Rules, 1986

Three major statutes, which seek to regulate and protect the environment against pollution related activities in India, are the Water (Prevention and Control of Pollution) Act, 1974 ("Water Pollution Act"), the Air (Prevention and Control of Pollution) Act, 1981 ("Air Pollution Act") and the Environment Protection Act, 1986 ("Environment Act"). These Acts apply to power projects.

The Water Pollution Act was enacted with an aim to prevent and control water pollution and to maintain or restore wholesomeness of water. This Act constitutes a Central Pollution Control Board and State Pollution Control Board. One of the main functions of the Central Board is to promote the cleanliness of streams and wells in different areas of the States. This Act debars any person, from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge sewage or trade effluent into a stream or well or sewer without taking prior consent of the State Pollution Control Board.

The Air Pollution Act was enacted to prevent, control and abate air pollution. The Central and State Boards constituted under the Water Pollution Act has been assigned to perform the functions under the Air Pollution Act as well. This Act, inter alia, stipulates that no person shall, without the prior consent of the State Board, establish or operate any industrial plant in an air pollution control area.

The Environment Act has been enacted to protect and improve the environment. This Act empowers the Central Government to make rules for various purposes including prescribing the standards of quality of air, water or soil for various areas and purposes and prescribing the maximum allowable limits of concentration of various environmental pollutants for different areas.

In India the issue of management, storage and disposal of hazardous waste is regulated by the Hazardous Waste Management Rules, 1989 made under the Environment Protection Act. Under these rules, the Prevention and Control of Pollution Boards are empowered to grant authorization for collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility.

The Ministry of Environment and Forests conducts Environment Impact Assessment (EIA). The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment is assessed by the Ministry before granting clearances for the proposed projects.

### **3. The Special Economic Zone, Rules 2006 (the “SEZ Rules”)**

The SEZ Rules, 2006 have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from central and state governments for setting up of SEZs and a ‘unit’ in SEZ.

The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein with an emphasis on ‘self certification’ and the terms and conditions subject to which entrepreneur and Developer shall be entitled to exemptions, drawbacks and concessions etc. The SEZ Rules also provide for the minimum area requirement for various categories of SEZs.

The Developer and/or a Co-developer as the case may be is required to have at least 26% of the equity in the entity proposing to create business, residential or recreational facilities in a SEZ in case such development is proposed to be carried out through a separate entity or special purpose vehicle being a company formed and registered under the Companies Act.

#### **Others:**

Apart from the above, other laws and regulations that may be applicable to the Company include the following:

- ❖ Employees’ State Insurance Act, 1948;
- ❖ Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- ❖ Payment of Gratuity Act, 1972;
- ❖ Payment of Bonus Act, 1965;
- ❖ Payment of Wages Act, 1936;
- ❖ Contract labour (Regulation and Abolition) Act, 1970.

## HISTORY

The Company was originally incorporated as S. Kumars Power Developers Limited as Public Limited Company in the State of Maharashtra on 10/02/1995 under the Companies Act, 1956. Subsequently, the name of the Company was changed to S. Kumars Power Corporation Limited and fresh certificate of incorporation consequent to change of Name was obtained on 02/01/1997. The name of the Company was again changed to Induj Enertech Ltd and a fresh certificate of incorporation was obtained on 24/04/2000. The name of the company was further changed to "Entegra Infrastructures Limited" and a fresh certificate of incorporation was obtained on 04/01/2006. The name was lastly changed to "Entegra Limited" and a fresh certificate of incorporation was obtained on 23/03/2007. The Registered Office of the Company was shifted from 99, Niranjana, Marine Drive, Mumbai 400002 to Avadh", 2nd Floor Avadhesh Parisar, Ganpatrao Kadam Marg, Worli, Mumbai – 400 018 on 31/07/2000. Again the Registered Office shifted to S. Kumars House, Plot No. 60, Street No. 14, MIDC, Marol, Andheri (East), Mumbai – 400093 on 01/11/2002. On 01/08/2003, the Registered Office was again shifted to Avadh", 2nd Floor Avadhesh Parisar, Ganpatrao Kadam Marg, Worli, Mumbai – 400 018. On 24/11/2005 the Registered Office was shifted to S. Kumars House, Plot No. 60, Street No. 14, Phase II, MIDC, Marol, Andheri (East), Mumbai - 400093.

The Company started its activities as developer of power projects through the Special Purpose Vehicle – Shree Maheshwar Hydel Power Corporation Ltd. (SMHPCL) for setting up of Hydel Power Project of 400 MW in the State of Madhya Pradesh. During 1999-2000, the company started an Information Technology (IT) division to provide IT enabled services in the related areas of power. This division was demerged and a new company Induj Infotech Ltd. was formed in 2001. Pursuant to the Order of the Bombay High Court dated April 18<sup>th</sup> 2001, the company has implemented the Scheme of Reconstruction & Rearrangement under Section 391 read with Section 394 of Companies Act, 1956, thereby separating the IT & IT Enabled Services division of the company into to a newly formed company namely Induj Infotech Ltd (now known as Unitex Designs Ltd.). Consequent to the scheme, the capital of the Company was reduced from Rs. 60 crores to Rs. 51 crores.

During the year 2005-06, after the hydel power project was stalled, Entegra disinvested its equity holdings in SMHPCL and thereby SMHPCL ceased to be a subsidiary of Entegra. Entegra transferred 13.64 crores equity shares of SMHPCL between the year 2005 – 2007 to SKG Power Ventures Private Limited (SKGPV) for a total consideration of Rs. 203.00 crores and the same amount is still to be received by the company. The transfer of Entegra's holdings in SMHPCL was to enable SKG Power Ventures Private Limited to raise balance equity funding from private/strategic investors.

The consideration amount was receivable in March, 2008 vide agreement dated March 1, 2006 between Entegra Infrastructures Ltd. and SKG Power Ventures Pvt. Ltd. (SKGPV). However pursuant to the decision of the proposed merger of hydro business into Entegra as taken in the meeting of the Board of Directors dated 19<sup>th</sup> December, 2007, the receivables from SKGPV will be appropriately dealt with at the time of Merger as per the advice of the advisors and valuers i.e. M/s. Grant Thornton. The consideration of Rs. 203.00 crores for equity shares of SMHPCL transferred by Entegra Limited to SKG Power Ventures Pvt. Limited is yet to be received.

During the year 2005, the management decided to diversify its activities in the areas of development of infrastructure facilities like SEZs along with the development of Wind Power Farms, Solar Energy projects, etc. and also trading in commodities which are used in the power sector like Coal, Fuel oil and Gas, etc. In order to include these activities in the main Object Clause, the Memorandum of Association of the company was altered in December, 2005 and subsequently on March 2007.

### Changes in Registered Office of the Company

Date of Change	Address Changed	
	From	To
31/07/2000	99, Niranjana, Marine Drive, Mumbai - 400002	Avadh", 2nd Floor Avadhesh Parisar, Ganpatrao Kadam Marg, Worli, Mumbai – 400 018
01/11/2002	Avadh", 2nd Floor Avadhesh Parisar, Ganpatrao Kadam Marg, Worli, Mumbai – 400 018	S. Kumars House, Plot No. 60. Street No. 14, MIDC, Marol, Andheri (East), Mumbai -400093
01/08/2003	S. Kumars House, Plot No. 60. Street No. 14, MIDC, Marol, Andheri (East), Mumbai - 400093	Avadh" Avadhesh Parisar, Ganpatrao Kadam Marg, Worli, Mumbai – 400 018
24/11/2005	Avadh" Avadhesh Parisar, Ganpatrao Kadam Marg, Worli, Mumbai – 400 018	S. Kumars House, Plot No. 60. Street No. 14, Phase II, MIDC, Marol, Andheri (East), Mumbai -400093

The changes in the Registered Office of the company since 1997 was due to increased requirement of larger premises, smooth operational convenience and better amenities.

### MAIN OBJECTS OF THE COMPANY

The main objects of the company are as follows:

(As set out in the Memorandum and Articles of Association of the Company)

**1.** To carry on the business of Development, Erection, Procurement, Construction (EPC), of Power Projects, purchasing, marketing, selling, importing, exporting, producing, trading, transmitting, distributing, supplying or otherwise dealing in all aspects of Thermal, Hydro, Nuclear, Solar, Wind power and power generated through any Conventional/Non-conventional/Renewable Energy sources including construction, generation, operation & maintenance, renovation & modernization of Power Stations and Projects and also to undertake the business of other allied/ancillary industries including those for utilization/sale/supply of steam and ash generated at power stations, and other by-products and do the deal-in, supply, install, operate, and manage all necessary plants, items of equipment, cables, wires, lines, establishments and other works related to Energy and other forms of Energy services like Project Management, Project Advisory services, including Supply of Coal, Fuel oil etc.

**2** To Carry on the Business of Development, Construction, Operation, Maintenance of Special Economic Zones (SEZ), Industrial Parks, Ports, Mining and all other Infrastructure projects in India in the fields of land, road, highway, buildings, generation and distribution of gas and all forms of energy, telecommunication services, data transmission network, information technology network, hospitals, hotels, educational institutions, leisure, recreational and entertainment facilities, residential and business complex, bridge(s), airport(s), ports including jetties, single point moorings, storage tanks and interconnecting pipelines for liquids and gases, Inland Container Depot or Container Freight Station, warehouses, rail system(s), transport system, water supply, irrigation, sanitation and sewerage system(s), effluent treatment facilities, solid waste management facilities or any other public facility of similar nature that may be notified in future as infrastructure facility either by the State Governments and/or the Government of India or any other appropriate authority or body.

## CHANGES IN MEMORANDUM

Dates on which some of the main clauses of the Memorandum of Association of the Company have been altered citing the details of Amendment as under:

Date of Shareholders Approval	Amendment
02/01/1996	The name of the company was changed from S Kumars Power Developers Limited to S Kumars Power Corporation Limited.
25/09/1997	Increase in authorized share capital from Rs. 5 crores divided into 50,00,000 equity shares of Rs. 10/- each to Rs. 60 crores divided into 6,00,00,000 equity shares of Rs. 10/- each.
15/07/1998	Increase in authorized share capital from Rs. 60 crores divided into 6,00,00,000 equity shares of Rs. 10/- each to Rs. 65 crores divided into 6,50,00,000 equity shares of Rs. 10/- each.
27/07/1999	Change in articles of association- insertion of new articles 170, 171 a, 171 b, 172 after the existing article 169.
18/02/2000	The name of the company was changed from S Kumars Power Corporation Limited to Induj Enertech Limited.
18/02/2000	Insertion of new object clause 1a relating to it business was added after the existing object clause 1.
30/12/2005	The name of the company was changed from Induj Enertech Limited to Entegra Infrastructures Limited.
30/12/2005	Insertion of new object clause 1a relating to commodity trading was inserted in place of the existing object clause 1a.
30/12/2005	Increase in authorized share capital from Rs. 65 crores divided into 6,50,00,000 equity shares of Rs. 10/- each to Rs. 110 crores divided into 11,00,00,000 equity shares of Rs. 10/- each.
07/03/2007	The name of the company was changed from Entegra Infrastructures Limited to Entegra Limited.
07/03/2007	Insertion of object clause 1 relating to power and 1 a relating to infrastructure and shifting of existing clause 1a to clause 5(a) object incidental or ancillary to the attainment of the main objects of the company.

## Subsidiary of the Company

The company has presently only one subsidiary company named Ennertech Biofuels Limited (Formerly Known as Ennertech Biofuels Private Limited). The Details of Ennertech Biofuels Limited is as given under:

<b>Date of Incorporation</b>	The Company was incorporated on July 12, 1996 as Induj Greens Private Limited under the Companies Act, 1956 in the State of Maharashtra. The name was changed to Enertech Biofuels Private Limited. The name of the company was further changed to Ennertech Biofuels Private Limited and Registrar of Companies issued a fresh certificate of incorporation on February 18, 2008. Further the name of the company was changed to Ennertech Biofuels Limited upon conversion into a public limited company and fresh certificate of incorporation was obtained on April 21, 2008
<b>Registration No.</b>	11-101018
<b>Registered Office</b>	99, Niranjana, Marine Drive, Mumbai 400 002.
<b>Nature of Business</b>	The main object of the company is to carry on exploring, cultivating, developing, refining, distilling, purifying, converting, blending all types of Biofuel /Greenfuel /Biodiesel, Commodity Oil, Fuel oil and gas, Petroleum /Hydrocarbons / Gaseous resources, proving and estimating the reserves thereof and implementing programme for the efficient development of and



	deal in all kinds of Biofuel, Biodiesel, Fuel oil and gas, Petroleum products/services.
<b>CIN</b>	U65990MH1991PTC060532
<b>Listing Status</b>	Unlisted

**Board of Directors as on 31<sup>st</sup> March 2008**

<b>Name</b>	<b>Designation</b>
Mr. Ajit Kapadia	Chairman
Mr. V. K. Jain	Director
Mrs. Rekha Jagdale	Director

**List of Shareholders as on 31<sup>st</sup> March 2008**

<b>Name of the shareholder</b>	<b>No of shares held</b>
Entegra Limited	49940
Entegra Limited jointly with Shri Mukul S. Kasliwal	10
Entegra Limited jointly with Shri Warij A. Kasliwal	10
Entegra Limited Jointly with Ms. Uravi Kasliwal	10
Entegra Limited Jointly with Ms. Pratibha Kasliwal	10
Entegra Limited Jointly with Mr. Utkarsh Kasliwal	10
Entegra Limited Jointly with Mr. Vrishan Kasliwal and Mukul Kasliwal	10
<b>TOTAL</b>	<b>50,000</b>

**Brief Audited Financial Results of the Company is as follows:**

(Rs. in Lacs)

<b>Particulars</b>	<b>31<sup>st</sup> March 2007</b>	<b>31<sup>st</sup> March 2006</b>	<b>31<sup>st</sup> March 2005</b>
Total Income	-	0.38	0.0
Profit After Tax	(0.21)	0.04	0.00
Share Capital	1.00	1.00	1.00
Reserves and Surplus	-	0.04	0.00
Earnings Per Share (in Rs.)	(2.16)	0.45	0.00
Book Value (in Rs.)	10.00	10.45	(0.51)
Face Value per Share (in Rs.)	10.00	10.00	10.00

**Other Details**

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

**Note :** Entegra Limited purchased 10,000 equity shares of Rs. 10/-each of Ennertech Biofuels Private Limited for a total consideration of Rs. 1.00 lac which was paid on April 17,2007

### **Shareholders' Agreements**

There is no separate agreement between any shareholder and the company as on date of filing of this Letter of offer.

### **Strategic/ Financial Partner**

The Company does not have any Strategic Partner & Financial Partner as on the date of filing of this Letter of Offer.

### **Other Agreements**

There are no other agreement entered by the company other than those entered into the normal course of the business

## MANAGEMENT

The details of the board of directors of the company are given below:

Name & Address, Designation, Age Occupation & DIN No.	Date of Appointment	Qualification	No of shares held	Remuneration	Other directorship
<b>Mr. Mukul S. Kasliwal</b> Padam -1, Flat No.6, 4B, G. Deshmukh Marg, Mumbai- 400 026. <b>Chairman</b> Age: 42 years <b>Occupation:</b> Industrialist <b>DIN No : 00058577</b> <b>(Non- Independent )</b>	10/02/1995  (Since Incorporation)	MBA (USA)	Nil	Rs.50000/- per month (Advisory fee w.e.f. 1 <sup>st</sup> April, 2006, pursuant to the resolution passed in the Annual General Meeting dated 25/09/2006)	<ul style="list-style-type: none"> <li>• Shree Ram Urban Infrastructure Limited</li> <li>• Shree Maheshwar Hydel Power Corporation Limited</li> <li>• Unitex Designs Limited</li> <li>• S. Kumars Limited</li> <li>• S Kumars (Investments) Limited</li> <li>• Essar Power Limited</li> <li>• Cable Corporation of India Limited</li> <li>• Dhvani Terefabs Exports Private Limited</li> <li>• Raj Infin Private Limited</li> <li>• MW Infraholdings Private Limited</li> <li>• SKG Power Ventures Private Limited</li> <li>• K.U. Enterprises Private Limited</li> <li>• S Kumars &amp; Company (Trades) Private Limited</li> <li>• SKM Fabrics Private Limited</li> <li>• MW Holding Private Limited</li> <li>• SKM Fabrics(Amana) Limited</li> </ul>
<b>Mr. Warij A. Kasliwal</b> Padam-1, Flat No. 2, 4B, G. Deshmukh Marg, Mumbai- 400 026. <b>Vice-Chairman</b> Age: 53 years <b>Occupation:</b> Industrialist <b>DIN No : 00012576</b> <b>(Non-Independent)</b>	31/01/2005	B.Sc and an associate of National College of Rubber Technology, London	Nil	Nil	<ul style="list-style-type: none"> <li>• Unitex Designs Limited</li> <li>• S. Kumars Limited</li> <li>• S. Kumars Life Assurance Corporation Limited</li> <li>• S Kumars (Investments) Limited</li> <li>• MW Infraholdings Private Limited</li> <li>• SKG Power Ventures Private Limited</li> <li>• Surajmal &amp; Sons Private Limited</li> <li>• S.K. Worsteds Private Limited</li> <li>• Dhavni Terefabs Exports Private Limited</li> <li>• Girija Holdings Private Limited</li> <li>• Raj Infin Private Limited</li> <li>• S. Kumars Retailer Services</li> </ul>

Name & Address, Designation, Age Occupation & DIN No.	Date of Appointment	Qualification	No of shares held	Remuneration	Other directorship
					Limited <ul style="list-style-type: none"> <li>• K.U. Enterprises Private Limited</li> <li>• SKM Fabrics Private Limited</li> <li>• SKM Fabrics (Amana) Limited</li> <li>• MW Corp Private Limited</li> <li>• S.Kumars Enterprises (Synfabs) Limited</li> <li>• Moolsha Investments Private Limited</li> </ul>
<b>Mr. Vijendra Kumar Jain</b> 401, Sai Trishul, 4 <sup>th</sup> Floor, Raviraj Oberoi Complex, S.V.Road, Andheri (W), Mumbai-400 053. <b>Managing Director</b> <b>Age:</b> 51 years <b>Occupation:</b> Service <b>DIN No :</b> 00013052 <b>(Non- Independent )</b>	13/09/2004	A. C.A.	Nil	Rs.50000/- per month (Advisory fee w.e.f. 1 <sup>st</sup> April, 2006, pursuant to the resolution passed in the Annual General Meeting dated 25/09/2006)	<ul style="list-style-type: none"> <li>• Unitex Designs Limited</li> <li>• Progard Tyres (India) Limited</li> <li>• Ennertech Biofuels Limited</li> <li>• SKG Power Ventures Private Limited</li> </ul>
<b>Mr. P.L Nene</b> 328, Indiarapuri Colony, Indore – 452017. <b>Director</b> <b>Age:</b> 72 years <b>Occupation:</b> Service <b>DIN No :</b> 00228620 <b>(Independent)</b>	27/10/2006	B.Sc. (Engg)	Nil	Nil	<ul style="list-style-type: none"> <li>• Modern Malleables Limited</li> <li>• Shakti Pumps (India) Limited</li> <li>• SKG Power Ventures Private Limited</li> <li>• Monnet Ispat &amp;Energy Limited</li> <li>• Jyostna Engineers &amp; Consultants Private Limited</li> </ul>
<b>Mr. Ajit C. Kapadia</b> 4B, Mamta Society, Near Amarkunj, Ellora park, Vadodara – 390007. <b>Director</b> <b>Age:</b> 64 years <b>Occupation:</b> Service <b>DIN No :</b> 00065081 <b>(Independent)</b>	27/01/2007	B.Sc. (Hons) M.Che. (chemical Engg)	Nil	Nil	<ul style="list-style-type: none"> <li>• Gujarat Gas Company Limited</li> <li>• Rubamin Limited</li> <li>• Paramount Limited</li> <li>• Spectra Dynamics Limited</li> <li>• Ennertech Biofuels Limited</li> <li>• Central UP Gas Limited</li> </ul>

Name & Address, Designation, Age Occupation & DIN No.	Date of Appointment	Qualification	No of shares held	Remuneration	Other directorship
<b>Mr. Hiten A. Khatau</b> Khatau Bungalow 6, Manav Mandir Road, Malabar Hill Mumbai 400006. <b>Director</b> <b>Age:</b> 49 years <b>Occupation:</b> Service <b>DIN No :</b> 00121931 <b>(Independent)</b>	27/01/2007	B.Com, ACA	Nil	Nil	<ul style="list-style-type: none"> <li>• Cable Corporation of India Limited</li> <li>• Mulraj Khatau &amp; Sons Limited</li> <li>• Khatau Makanji &amp; Co. Private Limited</li> </ul>
<b>Mr. Ashish S. Jalan</b> C/17, Woodlands, 67, Dr. G. Deshmukh Marg, Mumbai-400026. <b>Director</b> <b>Age:</b> 43 years <b>Occupation:</b> Business <b>DIN No :</b> 00031311 <b>(Independent)</b>	17/04/2007	B.Com	Nil	Nil	<ul style="list-style-type: none"> <li>• Acrastyle Switchgear Limited</li> <li>• Acrastyle Ltd.</li> <li>• S&amp;S Power Switchgear Ltd.</li> <li>• Woodlands Associates Private Limited</li> <li>• S &amp; S Power Corporation SDN BHD</li> <li>• Bombay Gas Cablecom Private Limited</li> <li>• R.J. Investments Private Limited</li> </ul>
<b>Mr. Soli Cooper</b> G- 1, Palacimo, 7 <sup>th</sup> Floor, Silver Oaks Estate, Bhulabhai Desai Road, Mumbai- 400 026 <b>Director</b> <b>Age:</b> 50 Years <b>Occupation:</b> Advocate <b>DIN No :</b> 005155827 <b>(Independent)</b>	31/07/2007	B.A., L.L.B, L.L.M.	Nil	Nil	<ul style="list-style-type: none"> <li>• G. Corp Properties Pvt. Limited</li> <li>• G.Corp Pvt. Limited</li> <li>• Equest Capital Advisors Pvt. Limited</li> <li>• Capital Art Advisory Pvt. Limited</li> </ul>
<b>Mr. Pradeep Goyal</b> 171/172, Kalpataru Horizon, Tower A, S.K. Ahire Marg, Worli, Mumbai- 400 025 <b>Director</b> <b>Age:</b> 53 Years <b>Occupation :</b> Business <b>DIN No :</b> 00008370 <b>(Independent)</b>	17/06/2008	B.Tech (Metallurgy), S.M. (Materials Science and Engineering)	Nil	Nil	<ul style="list-style-type: none"> <li>• Pradeep Metals Limited</li> <li>• Uniphos Enterprises Limited</li> <li>• United Phosphorous Limited</li> <li>• Indian Resources Information and Management Technology Limited</li> <li>• Flashnet Info Solutions (India) Limited</li> <li>• Esvee Pharma Pvt. Limited</li> <li>• S.V. Shah Construction Pvt. Limited</li> <li>• Hind Rectifiers Limited</li> <li>• B.S.Metal Pvt. Limited</li> </ul>

## BOARD OF DIRECTORS

**1. Mr. Mukul S. Kasliwal** son of Shri Shambhukumar Kasliwal is a B.Com from Sydneham College and an MBA from the University of Rochester, USA. He has more than 20 years of experience and has successfully handled various assignments in Financial Management and Strategic Alliances. He is involved in promoting the role of the Private sector in the area of Hydro Power, Renewable Energy and Infrastructure Industry. He has been involved in various Private Power projects. He serves on several boards and is the youngest member of National Manufacturing Competitiveness Council (NMMCC.)

**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 a business experience of over 26 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 K. Jain** son of Late Shri Sobhagmal Jain is a Chartered Accountant by qualification and Managing Director of the Company. He is 50 years old and has 25 years of experience in the field of Accounts & Finance, Project finance, Capital issues, M & A and Financial Management. He has vast experience in the fields of Paper, Agro, Chemicals, Shipping, Textile and Power Sector. He is in charge of all the business and overall activities of the company and looks after the day to day affairs/operations of the company.

**4. Mr. Prabhkar 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 around 40 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 Abhaya Khatau is Chartered Accountant by qualification and belongs to the industrialist family of Khatau and has been brought up in an environment of growth, corporate collaboration and cross-cultural characteristics. 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 20 years in the field of electronic equipment industry. He is a 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 Bombay High Court since 1980. He is on board for various companies and is also trustee of F.H.B. Sethna Charity Trust.

**9. Mr. Pradeep Goyal** son of Mr. Vedprakash Goyal is a B. Tech from Indian Institute of Technology, Kanpur. He has also completed S.M. in Materials Science and Engineering from Massachusetts Institute of Technology, Cambridge, USA. He has over 20 years of experience in the field of Metallurgical industry. He has been awarded first rank in Metallurgy from the President of India. He is also a member of All India Manufacturers Organisation, Indo German Chamber of Commerce, Executive Committee of Indian Merchant Chambers, a trustee of ASM International and Ekal Vidyalaya Foundation of India

### Relationship among Directors

Mr. Mukul S. Kasliwal (Chairman) and Mr. Warij A. Kasliwal (Vice-Chairman) are cousin brothers

## Change in Board of Directors during the last three years

The changes in the Board of Directors of the Company in the last three year are as under:

Sr. No	Name of the Director	Date of change	Reason
1.	Mrs. Krishna Sarma	17/04/2007	Resigned
2.	Mr. P L Nene	27/09/2007	Appointed as Director of the company (liable to retire by rotation)
3.	Mr. Ajit C. Kapadia	27/09/2007	Appointed as Director of the company (liable to retire by rotation)
4.	Mr. Hiten A. Khatau	27/09/2007	Appointed as Director of the company (liable to retire by rotation)
5.	Mr. Ashish Sushil Jalan	27/09/2007	Appointed as Director of the company (liable to retire by rotation)
6.	Mr. S.C. Dalal	31/07/2007	Resigned
7.	Mr. Soli Cooper	27/09/2007	Appointed as Director of the company (liable to retire by rotation)
8.	Mr. Govind Das Gaiha	29/04/2008	Resigned as Director of the company due to personal reasons
9.	Mr. Pradeep Goyal	17/06/2008	Appointed as Director of the company (liable to retire by rotation)

## Details of Borrowing Power

Consent of the Members of the Company was accorded to the Board of Directors of the Company vide a resolution passed at the Extraordinary General Meeting of the Company held on March 20, 1995 pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sum or sums of money which together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) which shall not exceed in aggregate at any time Rs. 1000 Crores. (Rupees One Thousand Crores only) over and above the paid up capital and free reserves of the Company.

## Interest of Directors

Except as stated under "Related Party Transactions", to the extent of shareholding in the Company, payment of Advisory fee of Rs. 50,000 per month to Mr. Mukul Kasliwal, none of the Directors have any other interest in the business of the company. The Directors are interested to the extent of shares to be allotted to them in this issue.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

Except as stated otherwise, in this Letter of Offer, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Letter of Offer in which the Directors of the company are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

## CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

The Company has complied with SEBI Guidelines, in respect to Corporate Governance especially with respect to composition of its Board of Directors and setting up of necessary committees such as Audit Committee, Shareholders/ Investor Grievance Committee and Remuneration Committee.

## Board of Directors

The Board of Directors comprises of 9 (Nine) Directors, out of which one is an executive director and the remaining eight are non- executive directors.

Name of the Director	Designation	Status	DIN
Mr. Mukul S. Kasliwal	Chairman	Promoter Director	00058577
Mr. Warij A. Kasliwal	Vice-Chairman	Promoter Director	00012576
Mr. V. K. Jain	Managing Director	Executive Director	00013052
Mr. P L Nene	Director	Independent Director	00228620
Mr. Ajit Chandulal Kapadia	Director	Independent Director	00065081
Mr. Hiten Abhay Khatau	Director	Independent Director	00121931
Mr. Ashish Sushil Jalan	Director	Independent Director	00031311
Mr. Soli Cooper	Director	Independent Director	00515827
Mr. Pradeep Goyal	Director	Independent Director	00008370

## Audit Committee

The Audit Committee constituted in terms of requirement of clause 49 of the listing agreement. The Audit Committee comprises of 4 members under the Chairmanship of an Independent Director. The Current constitution of the Committee is Mr. Ashish Jalan, Chairman, Mr. Warij, Mr. Hiten Khatau and Mr. Soli Cooper, are the members of the committee. The terms of the Audit Committee as per the terms of its constitution, comply with the requirements of section 292 A of the Companies Act and Clause 49 of the listing agreement to be entered into with the Stock Exchange (S).

The composition of Audit Committee is as follows:

Name	Designation	Status
Mr. Ashish Jalan	Chairman	Independent Non- Executive Director
Mr. Warij kasliwal	Member	Promoter Director
Mr. Hiten Khatau	Member	Independent Non – Executive Director
Mr. Soli Cooper	Member	Independent Non -Executive Director

## Remuneration Committee

The Remuneration Committee as a sub-committee of the Board has been constituted mainly to determine and recommend to the Board, the Company's policies on remuneration packages for executive and non-executive directors.

The composition of Remuneration Committee is as follows:

Name	Designation	Status
Mr. Warij A. Kasliwal	Chairman	Promoter and Non Executive Director
Mr. Ajit kapadia	Member	Independent Non- Executive Director
Mr. P.L. Nene	Member	Independent Non- Executive Director

## Share Transfers and Investor Grievances Committee

The Shareholder Grievance Committee has been constituted as a sub-committee of the Board, primarily to focus on resolving the 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.

The composition of Shareholders / Investors Grievance Committee is as follows:



Name	Designation	Status
Mr. Warij A. Kasliwal	Chairman	Promoter and Non Executive Director
Mr. V. K. Jain	Member	Executive Director
Mr. Soli Cooper	Member	Independent Non – Executive Director

### Investor Grievance

The Company has engaged the services of a Registrar & Transfer Agent to handle the grievances of the investors. The average time taken by the Company for redressal of Complaints varies from 15 to 20 days, depending on the Type of Complaint. Particulars of investor complaints during the period 01/04/2007 to 31/03/2008 are as follows:

Period	No. of complaints Received	No. of complaints Resolved	No. of complaints Pending
01/04/2007 to 30/06/2007 (1 <sup>st</sup> Quarter)	2	2	Nil
01/07/2007 to 30/09/2007 (2 <sup>nd</sup> Quarter)	4	4	Nil
01/10/2007 to 31/12/2007 (3 <sup>rd</sup> Quarter)	7	7	Nil
01/01/2008 to 31/03/2008 (4 <sup>th</sup> Quarter)	12	12	Nil
<b>Total</b>	<b>25</b>	<b>25</b>	<b>Nil</b>

### Terms of Appointment & Compensation of Managing Director

#### Managing Director

The Board of Directors of the Company has appointed Mr. V. K. Jain as the Managing Director of the Company on September 13, 2004 for a period of 5 years with effect from September 16, 2004 without any remuneration and compensation. The remuneration of Mr. V.K. Jain, Managing Director, has been approved in the Annual General Meeting held on September 25, 2006. The details are as given below:

#### Category "A"

Particulars	Salary per Month	Salary per Annum
Basic	1,98,500	23,82,000
HRA	49,625	5,95,500
Conveyance	16,000	1,92,000
Medical	1,250	15,000
LTA	5,000	60,000
<b>Total</b>	<b>2,70,375</b>	<b>32,44,500</b>

#### Category "B"

The Company will provide a car and bear the following expenses:-

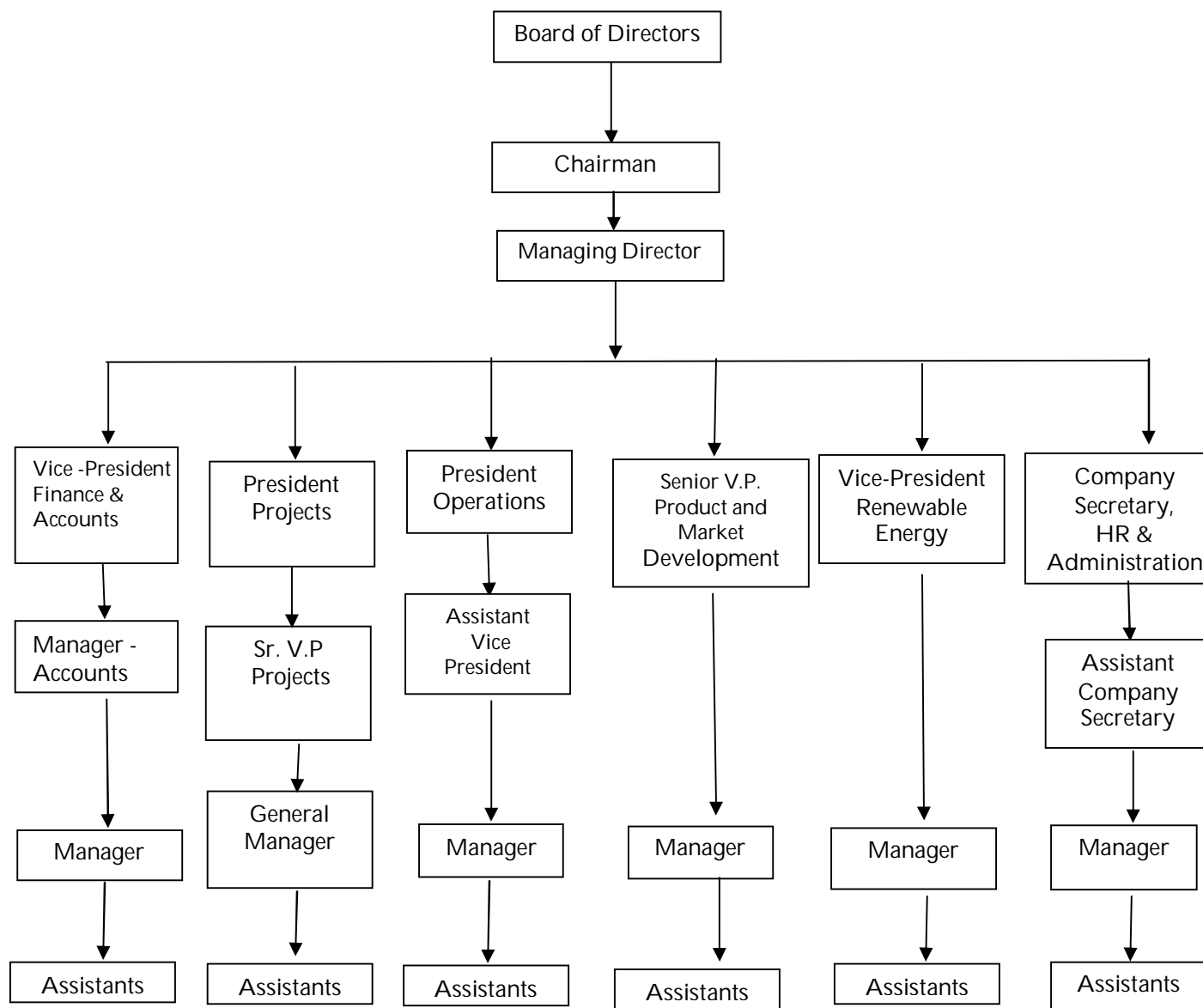
- Driver's Salary : Reimbursement on actual basis
- Mobile : Reimbursement on actual basis
- Petrol and Maintenance expenses : Reimbursement on actual basis

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**Other Terms & Conditions:**

- 1) The Managing Director will be entitled to one month's earned leave after completion of every eleven months and seven days casual leave every year. However, the Managing Director will not be entitled to accumulate the earned leave for more than two months and encashment of leave will not be allowed.
- 2) The Managing Director will not be entitled to any sitting fees for attending the meeting of Board of Directors or any committee thereof.
- 3) The remuneration payable to Managing Director will be subject to the provisions of Part II and Part III of Schedule XIII of the Companies Act, 1956.
- 4) If in any financial year, the total remuneration including all allowances payable to and received by the Managing Director exceeds the maximum payable to him under the Companies Act, 1956 he shall be liable to refund the excess amount paid and the same can be deducted from the remuneration payable to him in the next following year.

## ORGANISATION STRUCTURE



## DETAILS OF KEY MANAGERIAL PERSONNEL

The Company is managed by its Board of Directors, assisted by qualified professionals, with vast experience in the field of production/engineering/distribution/marketing/finance and corporate laws. Following are the key functionaries in different functions of the Company excluding the promoters/directors of the Company: -

Sr. No.	Name & Designation	Age (Years)	Date of appointment	Qualifications	Remuneration Per annum (Rs. in lacs)	Number of shares held	Experience in the Company	Previous Company and Total Experience
1	Mr. Muhomadali. Hudli <b>President (Operations)</b>	54	01/04/06	F.C.A	4.70	Nil	2 Years and 2 Months	United Western Bank Limited 32 Years
2	Ms. Rekha Jagdale <b>Company Secretary and Compliance Officer</b>	47	31/03/06	F.C.S. & L.L.B.	8.10	Nil	2 Years and 3 Months	Shree Maheshwar Hydel Power Corporation Limited 23 Years
3	Mr. Devakinandan Gupta <b>V.P. (Accounts &amp; Finance)</b>	47	06/01/07	F.C.A.	4.05	Nil	1 Year and 6 Months	Century Textiles & Industries Limited 26 Years
4	Mr. Abhaya Swaroop <b>V.P. (Renewable Energy)</b>	46	01/08/06	B.E.(Mech), M.B.A., Ph.D.	5.50	Nil	1 Year and 10 Months	SMEC International 23 Years
5	Mr. Vimal Kumar <b>Sr. Vice President (Product and Marketing Development)</b>	45	07/09/07	B. Tech	10.35	Nil	9 Months	Hydro Tasmania 18 Years
6.	Mr. J.J. Deasi <b>Sr. Vice President (Project)</b>	61	16/07/07	B.E. (Mech.)	11.30	Nil	11 Months	Larsen & Toubro Limited 32 Years

All the above mentioned key managerial personnel are permanent employees of the Company. The remuneration of each of key managerial personnel includes salary, bonus, Company's contribution to Provident Fund, Leave Travel Allowance/Concession, Medical Expenses and value of other facilities inclusive of accommodation as may be applicable in each case. The Company has not offered any profit sharing plan to its Key Managerial Personnel.

### Changes in Key Managerial Personnel in the Last Three Years

Name	Date of Appointment	Date of Resignation
Mr. Muhomadali. Hudli	01/04/2006	N.A.
Ms. Rekha Jagdale	31/03/2006	N.A.
Mr. Anil Kavadia	07/04/2006	01/01/2007
Mr. Prasad Kulkarni	15/03/2005	31/07/2006
Mr. Abhaya Swaroop	01/08/2006	N.A.
Ms. Mariam Andrews	16/10/2006	31/07/2007
Mr. Vimal Kumar	07/09/2007	NA
Mr. J.J. Desai	16/07/2007	NA
Mr. Devakinandan Madanlal Gupta	06/01/2007	N.A.
Mr. Suresh Kumar Thakral	01/04/2006	26/08/2007

### Employee Stock Option Schemes

Till date, the Company has not introduced any Employees Stock Option Scheme/Employee Stock Purchase Scheme.

### Interest of Key Managerial Personnel

No amount or benefit has been paid or given within the two preceding years or intended to be given to any of the directors or key managerial personnel except the normal remuneration for services rendered as directors, officers or employees.

### Payment or Benefit (Non-Salary Related) to officers of the Company

Except as stated in this Letter of Offer, no amount or benefit has been paid or given or is intended to be paid or given during the preceding two years to any of its officers except for the normal remuneration paid to Directors, officers or employees since the incorporation of the Company.

### Shareholding of Key Employees

None of the Key Managerial Personnel are holding any equity shares of Entegra Limited.

### Loans to Key Managerial Personnel

There are no loans outstanding against Key Managerial Personnel as on date.

### Bonus or Profit sharing plan for the Key Managerial Personnel

There are no bonuses or profit sharing plan for any Key Managerial Personnel. However, the Company pays bonus equivalent to one month's salary to all its permanent employees

## PROMOTERS AND THEIR BACKGROUND

The Promoters of our company are as follows:



### 1. Promoters being individuals

- Mr. Mukul S. Kasliwal
- Mr. Warij A. Kasliwal

### 2. Promoters being companies

- MW Infraholdings Private Limited
- Girija Holdings Private Limited
- Raj Infin Private Limited

### Details of Promoters being individual

	<p><b>Mr. Mukul S. Kasliwal, Chairman</b></p> <p><b>Mr. Mukul S. Kasliwal (42 years)</b> son of Shri Shambhukumar Kasliwal is a B.Com from Sydneham College and an MBA from the University of Rochester, USA. He has more than 20 years experience and has successfully handled various assignments in Financial Management and Strategic Alliances He is involved in promoting the role of the Private sector in the area of Hydro Power, Renewable Energy and Infrastructure Industry. He has been involved in various Private Power projects. He serves on several boards and he is the youngest member of National Manufacturing Competitiveness Council</p> <p><b>Driving Licence No. :</b> 53/C/10248  <b>PAN No. :</b> AAQPK8417K</p>
	<p><b>Mr. Warij A. Kasliwal ,Vice Chairman</b></p> <p><b>Mr. Warij A. Kasliwal (53 Years)</b> son of Late Shri Abhayakumar Kasliwal is a Bachelor of Science and an associate of the National College of Rubber Technology, London. He has a business experience of over 26 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.</p> <p><b>Driving Licence No.</b> 449866  <b>PAN No. :</b> AAQPK8355C</p>

We confirm that the Permanent Account Number, Bank Account Numbers, Passport Number have been submitted to the Stock Exchanges at the time of filing of the Draft Letter of Offer. Further, the Promoters have not been detained as willful defaulters by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or any such proceedings are pending against the Promoters.

### INTEREST OF PROMOTERS

All the Promoters who are on the Board of Company may be deemed to be interested to the extent of the sitting fees and other remuneration for the services rendered and the reimbursement of expenses, if any, payable to them under the articles. The Promoters may also be deemed to be interested to the extent of the shares, if any, held by them or by the relatives or by firms or companies of which any of them is a partner and a director/member respectively.

Except as mentioned above the promoters do not have any interest in the business of the company.

## Details of Promoters being Company

### 1. MW Infraholdings Private Limited

(Formerly Known as S. Kumars Power Gen & Development Company Private Limited)

Date of Incorporation	The Company was incorporated on January 10, 1996 as S. Kumars Power Gen & Development Company Private Limited under the Companies Act, 1956 in the State of Maharashtra. The Name of the Company was subsequently changed to MW Infraholdings Private Limited and Registrar of Companies issued fresh certificate of incorporation on March 15, 2007
Registration No.	11-96136
Registered Office	99, Niranjana, Marine Drive, Mumbai 400 002.
Nature of Business	The Main object of the company is to carry on the business of an investment and finance company and to acquire, sale, purchase, subscribe, exchange, undertake, underwrite, convert, deal, hold and otherwise dispose off and deal in all type of shares, securities, stocks, bonds, fully convertible debentures and to engage in the Business of Development, Construction, Operation, Maintenance of Special Economic Zones (SEZ), Industrial Parks, Ports, Mining and all other Infrastructure projects in India & abroad.
PAN NO.	AAECS3701M
CIN	U40100MH1996PTC096136
Bank Account	Current Account : 623505381053, ICICI Bank Limited
Listing Status	The Company is not listed on any stock exchange

### Board of Directors as on March 31, 2008

Name of Directors	Designation
Mr. Warij A Kasliwal	Director
Mr. Mukul S Kasliwal	Director

### List of Shareholders as on 31<sup>st</sup> March .2008

Name of the Shareholder	No of Shares held
MW Corp Pvt. Limited	49,99,980
MW Corp Pvt. Limited jointly with Shri Mukul S. Kasliwal	10
MW Corp Pvt. Limited jointly with Shri Warij A. Kasliwal	10
<b>Total</b>	<b>50,00,000</b>

### Brief Audited Financial Results of the Company is as follows:

(Rs. in Lacs)			
Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
Total Income	35.90	5.42	3.97
Profit/loss after Tax	26.09	(7.93)	(38.84)
Share Capital (Equity)	100.00	1.00	1.00
Share Application Money	Nil	1164.00	1164.00
Reserves and Surplus (excluding revaluation reserve)	Nil	Nil	Nil

Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
Earnings Per Share (in Rs.)	26.09	(79.32)	(388.40)
Book Value per Equity Share (Rs.)	7.11	10.00	9.76
Face Value per Share (in Rs.)	10	10	10

#### Other Details

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

**Note: The Authorized capital was increased from Rs. 1 crore to Rs. 5 Crores (50 lacs equity shares of Rs. 10 each) on 29/09/2007. Further paid up capital was increased from Rs.1 crore to Rs. 5 crores by issue of 40 lacs equity shares of Rs. 10/- each at premium of Rs. 240/- each.**

#### 2. Girija Holdings Private Limited

<b>Date of Incorporation</b>	The Company was incorporated on February 27, 1991 as Girija Holdings Private Limited under the Companies Act, 1956 in the State of Maharashtra.
<b>Registration No.</b>	11-60524
<b>Registered Office</b>	99, Niranjan, Marine Drive, Mumbai 400 002.
<b>Nature of Business</b>	The Main object of the company is to carry on the business as financing company and for that purpose to provide financial facilities, enter into financial arrangements, financing industrial, commercial and other enterprises by way of accepting and/or giving short term and long term loans, advances and deposits in all kinds of immovable and movable properties and to act as an investment company and for this purpose to invest money of the company to acquire, purchase, sell, exchange, subscribe or hold and otherwise dispose off and deal in any shares ,debentures, bonds, stocks, commercial papers, notes units, securities, immovables, mortgages, obligations, including all rights, privileges or advantages therein.
<b>IT PAN</b>	AABCG1197N
<b>CIN</b>	U65990MH1991PTC060524
<b>Listing Status</b>	The Company is not listed on any stock exchange
<b>Bank Account</b>	Current Account : 623505381053, ICICI Bank Limited

#### Board of Directors as on 31<sup>st</sup> March 2008

Name of Director	Designation
Mr. Warij A Kasliwal	Director
Mrs. Pratibha W. Kasliwal	Director
Mr. S.S. Kasliwal	Director
Mr. Utkarsh W. Kasliwal	Director



**List of Shareholders as on 31<sup>st</sup> March .2008**

<b>Name of the Shareholders</b>	<b>No. of Shares</b>
Mr. Warij A. Kasliwal jointly with Mrs. Pratibha W. Kasliwal and Mr. Utkarsh W. Kasliwal	198
Mrs. Pratibha W. Kasliwal jointly with Mr. Warij A. Kasliwal and Mr. Utkarsh W. Kasliwal	151
Mr. S.S. Kasliwal jointly with Mrs. R.S. Kasliwal	1
Girija Warij Kasliwal jointly with Mr. Warij A. Kasliwal and Mrs. Pratibha W. Kasliwal	75
Mr..Utkarsh W. Kasliwal jointly with Mr. Warij A. Kasliwal and Mrs. Prathibha W. Kasliwal	75
Mr. Warij A. Kasliwal jointly with Mrs. Prathibha W. Kasliwal	100
Mrs. Prathibha W. Kasliwal jointly with Mr. Warij A. Kasliwal	200
Mr. Utkarsh W. Kasliwal jointly with Mrs. Prathibha W. Kasliwal	200
<b>Total</b>	<b>1000</b>

**Brief Audited Financial Results of the Company are as follows:**
**(Rs. in Lacs)**

<b>Particulars</b>	<b>31st March 2007</b>	<b>31st March 2006</b>	<b>31st March 2005</b>
Total Income	0.35	50.08	0.53
Profit/loss after Tax	(0.82)	45.25	0.40
Share Capital (Equity)	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserve)	53.17	53.98	8.73
Earnings Per Share (in Rs.)	(81.62)	4525.48	40.05
Book Value per Equity Share (in Rs.)	5417.00	5498.00	973.00
Face Value per Share (in Rs.)	100.00	100.00	100.00

**Other Details**

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

**3. Raj Infin Private Limited**

<b>Date of Incorporation</b>	The Company was incorporated on February 27, 1991 as Raj Infin Private Limited under the Companies Act, 1956 in the State of Maharashtra.
<b>Registration No.</b>	11-60532
<b>Registered Office</b>	99, Niranjana, Marine Drive, Mumbai 400 002.
<b>Nature of Business</b>	The Main objects of the company is to act as financiers and investors and for that purpose to provide financial facilities, enter into financial arrangements, hire purchasers, leases, deferred payments, financing industrial, commercial and other

	enterprises by way of accepting and/or giving short term and long term loans, advances and deposits, whether secured or unsecured in all kinds of immovable and movable properties, negotiate loan in any form or manner, to draw, accept, endorse, discount, buy, sell and deal in bills of exchange, hundies, promissory notes and other negotiable instruments and securities and to carry out all such operations and transactions as financiers and investors.
<b>IT PAN</b>	AAALR0001L
<b>CIN</b>	U65990MH1991PTC060532
<b>Listing Status</b>	The Company is not listed on any stock exchange
<b>Bank Account</b>	Current Account: 623505381192, ICICI Bank Limited.

**Board of Directors as on 31<sup>st</sup> March 2008**

<b>Name of Director</b>	<b>Designation</b>
Mr. Mukul S. Kasliwal	Director
Mrs. Uravi M. Kasliwal	Director
Mr. Warij A. Kasliwal	Director

**Shareholding Pattern as on 31<sup>st</sup> March. 2008**

<b>Name of the Shareholder</b>	<b>No of shares held</b>
Mr. Mukul S. Kasliwal jointly with Mrs. Uravi M. Kasliwal	474
Mrs. Rajkumari S. Kasliwal jointly with Mr. S. S. Kasliwal	26
Mr. Mukul S. Kasliwal jointly with Mrs. Uravi. M. Kasliwal	100
Mrs. Uravi M. Kasliwal jointly with Mr. Mukul S. Kasliwal	200
Mr. Vrushan M. Kasliwal jointly with Mrs. Uravi M. Kasliwal	200
<b>Total</b>	<b>1000</b>

**Brief Audited Financial Results of the Company are as follows:**

(Rs. in Lacs)

<b>Particulars</b>	<b>31st March 2007</b>	<b>31st March 2006</b>	<b>31st March 2005</b>
Total Income	0.05	58.48	0.59
Profit/Loss after Tax	(1.36)	52.85	0.48
Share Capital	1.00	1.00	1.00
Reserves and Surplus	62.10	63.46	10.61
Earnings Per Share (in Rs.)	(135.79)	5285.17	47.79
Book Value per equity share (in Rs.)	6310.35	6446.15	1161.00
Face Value per Share (in Rs.)	100.00	100.00	100.00

## Other Details

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

We confirm that the Permanent Account Numbers, and Bank Account Numbers, Passport Number have been submitted to the Stock Exchanges at the time of filing of the Draft Letter of Offer.

## Litigation

For details on outstanding litigations against the Companies please refer page no. 130 of this Letter of Offer

## Related Party Transactions

For details of Related Party Transaction please refer to details given under the section titled “Related Party Transactions” on page 114 of this Letter of Offer.

## Common Pursuits

There are no common pursuits among the Company and the promoting companies except MW Infraholdings Private Limited (Promoter Company) since no other entity is engaged in the line of activity in which the Entegra is engaged. However, there is no competition between the two since MW Infraholdings Private Limited is pursuing the promotion of Infrastructure companies whereas Entegra is pursuing the development of Infrastructure companies.

## Payment of benefit to the promoters of Entegra Limited

All the Promoters of the Company shall be deemed to be interested to the extent of shares held by them and/or their relatives including payment of advisory fee to Mr. Mukul Kasliwal, further allotment of shares out of the present issue and to the extent of remuneration and perquisites drawn by them from the Company.

## Dividend Policy

The declaration and payment of dividends will be recommended by the Board of Directors and shareholders, in their discretion, and will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial condition.

## PROMOTER GROUP COMPANIES

### GROUP COMPANIES

#### Details of Listed Company within the Promoter Group Companies

##### 1. Unitex Designs Limited (Formerly known as Induj Infotech Ltd)

<b>Date of Incorporation</b>	The Company was incorporated on December 15, 2000 as Induj Infotech Limited under the Companies Act, 1956 in the State of Maharashtra. The Name of the Company was subsequently changed to Unitex Designs Limited, with effect from January 4, 2006.
<b>CIN</b>	L72200MH2000PLC130073
<b>Registered Office</b>	S. Kumars House, Plot No. 60, MIDC, Phase II, Street 14, Andheri (E), Mumbai- 400 093.
<b>Nature of Business</b>	The Main object of the Company is to conduct business as manufacturers of garments and of man made fabrics and also carry on the business of information technology and its related activity, IT enabled services, internet, internet facility management.
<b>Listing Status &amp; Code</b>	Company listed on BSE, Listing Code- 532442

#### Board of Directors as on 31<sup>st</sup> March 2008

<b>Name</b>	<b>Designation</b>
Mr. Warij A. Kasliwal	Chairman
Mr. Mukul S. Kasliwal	Vice-Chairman
Mr. V. K. Jain	Director
Mr. S. C. Dalal	Director
Mr. Y.R.Shah	Director
Mr. Jayant Godbole	Director
Mr. P.K.Laheri	Director
Mr. G. Banerjee	Director

**Shareholding Pattern as on 31<sup>st</sup> March 2008**

	Category of Shareholder	(As on 31/03/2008)	
		Number of Shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
<b>1</b>	<b>Indian</b>		
(a)	Individuals/ Hindu Undivided Family		
(b)	Central Government/ State Government(s)/Government company		
(c)	Bodies Corporate	5582257	62.03
(d)	Financial Institutions/ banks		
(e)	Any Other (specify)		
	<b>Sub- Total (A)(1)</b>	<b>5582257</b>	<b>62.03</b>
<b>2</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals/ Foreign non Individuals)		
(b)	Bodies Corporate		
(c)	Institutions		
(d)	Any other (specify)		
	<b>Sub-Total (A)(2)</b>	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>5582257</b>	<b>62.03</b>
<b>(B)</b>	<b>Public shareholding</b>		
<b>1</b>	<b>Institutions</b>		
(a)	Mutual Funds/ UTI		
(b)	Financial Institutions/ Banks	1050	0.01
(c)	Central Government/ State Government(s)		
(d)	Venture Capital Funds		
(e)	Insurance Companies		
(f)	Foreign Institutional Investors		
(g)	Foreign Venture Capital Investors		
(h)	Any Other (specify) ( Foreign National)		
	<b>Sub-Total (B)(1)</b>	<b>1050</b>	<b>0.01</b>
<b>2</b>	<b>Non-institutions</b>		
(a)	Bodies Corporate	1668407	18.54
(b)	Individuals-		
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	1425980	15.84
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	314843	3.50
(c)	Individuals (Non-Resident Individuals/ Foreign non Individuals)		
(d)	Overseas Corporate Bodies		
(e)	Clearing Members	265	0.00
(f)	Non Resident Indians	7190	0.08
	<b>Sub-Total (B)(2)</b>	<b>3416685</b>	<b>37.96</b>
	<b>Total public shareholding (B)= (B)(1)+(B)(2)</b>	<b>3417735</b>	<b>37.97</b>
	<b>TOTAL (A)+(B)</b>	<b>8999982</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>		
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>8999982</b>	<b>100.00</b>

**Brief Financial Results of the Company are as follows:**
**(Rs. in Lacs)**

Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
Total Income	443.52	353.47	15.52
Profit/ Loss after Tax	12.04	(15.15)	(223.73)
Share Capital	899.99	899.99	899.99
Reserves and Surplus (excluding revaluation reserve)	Nil	Nil	Nil
Profit & Loss Debit Balance	428.82	(440.26)	(425.10)
Earnings Per Share (in Rs.)	0.13	(0.17)	(2.49)
Book Value per Equity Share (in Rs.)	14.75	5.11	5.28
Face Value per Share (in Rs.)	10	10	10

Unitex Designs Limited (UDL) is listed on the Bombay Stock Exchange Ltd (BSE). Quotations for last six months at BSE are as follows:

Month	BSE	
	High (Rs)	Low (Rs)
December 2007	19.95	15.20
January 2008	26.50	15.20
February 2008	20.05	14.15
March 2008	16	10.20
April 2008	12.00	8.62
May 2008	19.72	9.04

**Stock Market Data**

High/ Low price during the last 6 months (Rs)	BSE: Rs. 26.50 /8.62
Market price as on 25/06/2008 (Rs)	BSE: Rs. 15.25

**Other Details**

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

## Details of unlisted companies within the Promoter Group Companies

### 1. S. Kumars Limited

<b>Date of Incorporation</b>	The Company was incorporated on August 18, 1972 as SKM Fabrics Limited under the Companies Act, 1956 in the State of Maharashtra. The Name of the Company was subsequently changed to S. Kumars Limited and Registrar of Companies issued fresh certificate of incorporation on January 01, 1982
<b>CIN</b>	U17100MH1972PLC015956
<b>Registered Office</b>	99, Niranjana, Marine Drive, Mumbai 400002.
<b>Nature of Business</b>	The Main Object is to establish textile mill for weaving /spinning and to manufacture fabrics of all types and descriptions.
<b>Listing Status</b>	The Company is not listed on any stock exchange

### Board of Directors as on 31<sup>st</sup> March 2008

<b>Name</b>	<b>Designation</b>
Mr. Shambhukumar S. Kasliwal	Chairman
Mr. Warij A. Kasliwal	Director
Mr. Vikas S. Kasliwal	Director
Mr. Mukul S. Kasliwal	Director
Mr. G. D. Bansal	Director

### List of Shareholders as on 31<sup>st</sup> March, 2008

<b>Name of the Share Holders</b>	<b>Number of Shares held</b>
MW Corp Private Limited	999940
MW Corp Private Limited jointly with Mr. Warij Kasliwal	10
MW Corp Private Limited jointly with Mr. Mukul Kasliwal	10
MW Corp Private Limited jointly with Mrs. Pratibha W. Kasliwal	10
MW Corp Private Limited jointly with Mrs. Uravi M. Kasliwal	10
MW Corp Private Limited jointly with Mr. Utkarsh W. Kasliwal	10
MW Corp Private Limited jointly with Mr. Vrishan M. Kasliwal & Mrs. Uravi M. Kasliwal	10
<b>Total</b>	<b>1000000</b>

### Brief Audited Financial Results of the Company is as follows:

(Rs. in Lacs)

<b>Particulars</b>	<b>31<sup>st</sup> March 2007</b>	<b>31<sup>st</sup> March 2006</b>	<b>31<sup>st</sup> March 2005</b>
Total Income	2942.87	1324.41	5515.76
Profit/ Loss after Tax	351.38	(295.06)	1.91
Share Capital	95.00	95.00	95.00

Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
Reserves and Surplus (excluding revaluation reserve)	248.53	(102.84)	192.22
Earnings Per Share (in Rs.)	369.87	(310.60)	2.01
Book Value per Equity Share (in Rs.)	361.62	(8.25)	302.34
Face Value per Share (in Rs.)	100	100	100

#### Other Details

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

**Note: The Authorized capital was increased from Rs.2 crores to Rs. 21 Crores (21 lacs equity shares of Rs. 100 each) on 11/09/2007. Further paid up capital was increased from 95 lacs to Rs. 1000.00 lacs by issue of 9,05,000 Equity Shares of Rs. 100/- each**

#### 2. SKG Power Ventures Private Limited

<b>Date of Incorporation</b>	The Company was incorporated on January 1, 1996 under the Companies Act, 1956 in the State of Maharashtra.
<b>CIN</b>	U40100MH1996PTC096137
<b>Registered Office</b>	"Nirnajan", 99, Marine Drive, Mumbai-400 002.
<b>Nature of Business</b>	The main object of the company is to generate, develop, accumulate, distribute, buy, sell, transmit or otherwise deal in all forms of energy including electricity, power, any type of hydel power, gas, coal and light and to promote and develop any project including power project, generation, transmission, distribution and refurbishing of power and to carry on any other activity related to power.
<b>Listing Status</b>	Unlisted

#### Board of Directors as on 31<sup>st</sup> March, 2008

Name	Designation
Mr. Mukul S. Kasliwal	Chairman
Mr. Warij A. Kasliwal	Director
Mr. V.K. Jain	Director
Mr. P.L. Nene	Director

#### List of Shareholders as on 31<sup>st</sup> March, 2008

Name of the shareholder	No of shares held
MW Infraholdings Private Limited	9980
MW Infraholdings Private Limited jointly with Mr. Mukul S. Kasliwal	10
MW Infraholdings Private Limited jointly with Mr. Warij A. Kasliwal	10
<b>Total</b>	<b>10,000</b>



**Brief Audited Financial Results of the Company are as follows:**

(Rs. in Lacs)

Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
Total Income	0	0	0
Profit/ Loss after Tax	0	0	0
Share Capital	1.00	1.00	1.00
Share Application Money	0	114.00	114.00
Reserves and Surplus (excluding revaluation reserve)	0	0	0
Earnings Per Share (in Rs.)	0	0	0
Book Value per Equity Share (in Rs.)	(0.09)	0.69	1.49
Face Value per Share (in Rs.)	10	10	10

Company has not started commercial operations yet.

**Other Details**

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

**3. Shree Maheshwar Hydel Power Corporation Ltd**

<b>Date of Incorporation</b>	The Company was incorporated on May 11, 1993 under the Companies Act, 1956 in the State of Madhya Pradesh.
<b>CIN</b>	U40101MP1993PLC007667
<b>Registered Office</b>	Abhyanchal Parisar, Post Mandleshwar, District Khargone(West Nimar), Madhya Pradesh- 451 221.
<b>Nature of Business</b>	The main object is to generate, develop, accumulate, distribute, buy, sell, transmit or otherwise deal in all forms of energy including electricity, power, any type of hydel power, gas, coal, light and to undertake all forms of construction activity.
<b>Listing Status</b>	Unlisted

**Board of Directors as on 31<sup>st</sup> March 2008**

Name	Designation
Shri. P V Narasimham	Chairman
Shri. M. L. Gupta	Managing Director
Shri. K. L. Sharma	Director Finance
Shri. Mukul S. Kasliwal	Director
Dr. N. P. Jain	Director
Shri. R. S. Sandhu	Nominee Director (IFCI)
Smt. Malini Bansal	Nominee Director (IDBI)
Shri. Ashok Gupta	Nominee Director (PFC)
Shri. S. Bandopadhyaya	Nominee Director (GoMP)

**Shareholding Pattern as on 31<sup>st</sup> March, 2008**

Name of the shareholder	Total no of shares
SKG Power Ventures Private Limited	136441330
SKG Power Ventures Private Limited jointly with Mr. Abhayakumar S. Kasliwal	10
SKG Power Ventures Private Limited jointly with Mr. Shambhukumar S. Kasliwal	10
SKG Power Ventures Private Limited jointly with Mr. Ambuj A. Kasliwal	10
SKG Power Ventures Private Limited jointly with Mr. Warij A. Kasliwal	10
SKG Power Ventures Private Limited jointly with Mr. Vikas S. Kasliwal	10
SKG Power Ventures Private Limited jointly with Mr. Nitin S. Kasliwal	10
SKG Power Ventures Private Limited jointly with Mr. Mukul S. Kasliwal	10
Pacific Generation & Development Co.	7558600
<b>Total</b>	<b>144,000,000</b>

**Brief Audited Financial Results of the Company are as follows:**
**(Rs. in Lacs)**

Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
Total Income	Nil	Nil	Nil
Profit/ Loss after Tax	Nil	Nil	Nil
Share Capital	14400.00	14400.00	14400.00
Reserves and Surplus (excluding revaluation reserve)	0.00	0.00	0.00
Earnings Per Share (in Rs.)	Nil	Nil	Nil
Book Value per Equity Share (in Rs.)	9.94	9.94	9.94
Face Value per Share (in Rs.)	10	10	10

**Other Details**

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

SMHPCL was incorporated on May 11, 1993 to implement, operate and maintain 400 MW Maheshwar hydroelectric project on the river Narmada. The project when completed is likely to generate 1361 million units of energy in an average year and 913 million units on 90% dependable year. SMHPCL has signed a Power Purchase Agreement with Madhya Pradesh State Electricity Board for a period of 35 years from the date of commercial operations for sale of power generated by this project

The Maheshwar Project was conceived in the seventies and in 1983 the initial project was finalized by the Narmada Valley Development Authority (NVDA) of the Government of Madhya

Pradesh.(GoMP) . The Project was initially started under the auspices of NVDA, but being purely a power generation project was later handed over by the GoMP to the Madhya Pradesh Electricity Board (MPSEB) in 1988 for execution. The MPSEB did some preliminary works on the project including construction of coffer dam. In December, 1992 in line with the new policy of allowing participation of Private Sector in power generation, the GoMP awarded implementation of the 400 MW Maheshwar Project to the S.Kumars Group in the Private Sector. Accordingly Shree Maheshwar Hydel Power Corporation Limited (SHMPCL) was incorporated on 11/05//1993 as an independent company, as an executing arm of M/s. S.Kumars for implementing Maheshwar Hydel Power Station. The Construction on the project was started in 1997. However, the work on the project got stalled in September 2001 due to various extraneous reasons impacting the financial tie –ups of the project consequent on the sudden and unforeseen withdrawal of the American collaborating company, M/s. Ogden Energy Asia Pacific Ltd. from their commencement to contribute 48% of the total project equity.

The construction on the project, which had come to a standstill in September 2001 was resumed in November 2005. The construction on the project is now proceeding as per revised schedule and more than 60% of the total project work has been completed

SMHPCL was originally a subsidiary of Entegra. In the year 2006 Entegra decided to hive off its holding in SMHPCL to a special purpose vehicle, namely SKG Power Ventures Private Limited. The decision was taken as Maheshwar was long gestation project and there was no immediate revenue and also it required further capital of up to Rs. 375 crores to be raised to complete the project. The transfer of Entegra's holdings in SMHPCL was to enable SKG Power Ventures Private Limited to raise balance equity funding from private/strategic investors.

Further to the above the means of finance of the project has been fully tied up with stand by guarantee from Power Finance Corporation for the equity of Rs. 37500 lacs. Accordingly the construction work resumed in the year 2006 and the project is scheduled to commission by June 2009. Presently SMHPCL is in the process of raising the equity of Rs. 37500.00 lacs and Entegra is proposing to part finance in the fund raising by investment in the equity out of the proceeds of the rights issue.

SHMPCL came out with a Private Placement of 4,000 Optionally Fully Convertible Debentures ("OFCDs") of the face value of Rs. 10,00,000/- each for cash at par aggregating to Rs. 400 Crores (Rs. 200 Crores with an option to retain oversubscription of Rs. 200 Crores). The issue opened between December 28, 2006 and January 31, 2007. The said OFCDs have been rated "AAA(SO)/Stable" by CRISIL and "CARE AAA(SO)" by CARE which indicates highest safety regarding timely payment of financial obligation on the instrument, offering highest safety for timely servicing of debt obligations. Such instruments carry minimal credit risk.

#### 4.Hindon River Mills Limited

<b>Date of Incorporation</b>	The Company was incorporated on May 10, 1994 as A.K. Polytex Private Limited under the Companies Act, 1956 in the State of Uttar Pradesh, Kanpur. Later the name of the company was changed to Hindon River Mills Limited and Registrar of Companies issued a fresh certificate of incorporation on May 05,1997
<b>CIN</b>	U17297UP1994PLC016440
<b>Registered Office</b>	Hindon River Mills Premises, Village Dasna, Hindon Nagar Ghaziabad, Uttar Pradesh, India
<b>Nature of Business</b>	The Main object of the company is to carry on the business of spinning, twisting, doubling, knitting, combing, manufacturing, processing or preparing of polyester and substances including waste wool, raw tops and woolen rags.
<b>Listing Status</b>	Unlisted

**Board of Directors as on 31<sup>st</sup> March 2008**

Name	Designation
Mr. A.K. Goyle	Director
Mr. Subhash Chander Suman	Director
Mr. Col. S.K. Raje	Director

**List of Shareholders as on 31<sup>st</sup> March, 2008**

Name of the shareholder	No of shares held
M.W. Infraholdings Private Limited	1440000
Raj Infin Private Limited	80000
Girija holdings Private Limited	80000
Vidhi Holdings Private Limited	80000
Anjani Finvest Private Limited	80000
Ani Abhi Investment Private Limited	80000
Moolsha Investments Private Limited	80000
Kartikaya Finvest Private Limited	80000
Exim Bank	376000
<b>Total</b>	<b>2376000</b>

**Brief Audited Financial Results of the Company are as follows:**

(Rs. in Lacs)

Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
Total Income	120.19	93.02	124.25
Profit/ Loss after Tax	(50.43)	(95.60)	55.37
Share Capital	2376.00	2376.00	2376.00
Reserves and Surplus (excluding revaluation reserve)	Nil	Nil	Nil
Earnings Per Share (in Rs.)	(2.12)	(4.02)	2.33
Book Value per Equity Share (in Rs.)	100.00	100.00	100.00
Face Value per Share (in Rs.)	Rs.100	Rs.100	Rs.100

**Other Details**

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	Yes*

\* Presently, the Company has been declared as a sick unit from August 2005 by BIFR and IFCI has been appointed as the operating agency.

## 5. Manors Textiles Limited

<b>Date of Incorporation</b>	The Company was incorporated on May 24, 1988 as Manors Textiles Private Limited under the Companies Act, 1956 in the Union Territory of Goa. Later the company's Registered Office was changed to the State of Maharashtra simultaneously name was changed to Manors Textiles Limited and Registrar of Companies issued a fresh certificate of incorporation on March 05, 1993
<b>CIN</b>	U17110MH1993PTC071051
<b>Registered Office</b>	99, Niranjan, Marine Drive, Mumbai 400 002.
<b>Nature of Business</b>	The Main object of the company is to carry on the business as weavers, bleachers, dyers, printers, finishers, manufactures and dealers of all types of textiles and blended textiles with or without embroidery.
<b>Listing Status</b>	Unlisted

### Board of Directors as on 31<sup>st</sup> March 2008

<b>Name</b>	<b>Designation</b>
Mr. R.K.Mehta	Director
Mr. S.C.Dalal	Director
Mr. G.D.Bansal	Director

### List of Shareholders as on 31<sup>st</sup> March 2008

<b>Name of the shareholder</b>	<b>No of shares held</b>
S. Kumars Limited	14940
S. Kumars Limited Jointly with Mr. Shambu Kumar.S. Kasliwal	10
S. Kumars Limited Jointly with Mrs. Kamala Raja.A. Kasliwal	10
S. Kumars Limited Jointly with Mr. Warij A. Kasliwal	10
S. Kumars Limited Jointly with Mr. Mukul S. Kasliwal	10
S. Kumars Limited Jointly with Mrs. Prathiba W. Kasliwal	10
S. Kumars Limited Jointly with Mrs. Uravi M. Kasliwal	10
<b>Total</b>	<b>15000</b>

### Brief Audited Financial Results of the Company are as follows:

(Rs. in Lacs)

<b>Particulars</b>	<b>31<sup>st</sup> March 2007</b>	<b>31<sup>st</sup> March 2006</b>	<b>31<sup>st</sup> March 2005</b>
Total Income	73.76	49.10	927.09
Profit/ Loss after Tax	(7.60)	(11.18)	0.93
Share Capital	15.00	15.00	15.00
Reserves and Surplus	Nil	Nil	0.11

Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
(excluding revaluation reserve)			
Earnings Per Share (in Rs.)	(50.67)	(74.53)	6.22
Book Value per Equity Share (in Rs.)	(24.52)	(16.50)	100.77
Face Value per Share (in Rs.)	100	100	100

#### Other Details

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

#### 6. SKM Fabrics (Amana) Limited

<b>Date of Incorporation</b>	The Company was incorporated on December 27, 1999 under the Companies Act, 1956 in the State of Maharashtra.
<b>CIN</b>	U18101MH1999PLC123293
<b>Registered Office</b>	99, Niranjana, Marine Drive, Mumbai 400 002.
<b>Nature of Business</b>	The main object of the company is to buy, sell, market, deal in, trade, develop, import, export all kinds of textile fabrics and textile products made out of cotton, natural fibres and yarns, man made fibres and yarns, synthetic fibres and yarns, silk, wool including apparel fabrics, apparel wear of all types, hosiery of all types, industrial fabrics, nylon fabrics, label and tape fabrics,
<b>Listing Status</b>	Unlisted

#### Board of Directors as on 31<sup>st</sup> March 2008

Name	Designation
Mr. Warij A. Kasliwal	Chairman
Mr. Mukul S. Kasliwal	Director
Mr. O.P. Pacharia	Director
Mr. R.K. Mehta	Director

#### List of Shareholders as on 31<sup>st</sup> March 2008

Name of the shareholder	No. of Shares
Unitex Designs Ltd.	4,99,940
Unitex Designs Ltd. jointly with Mr. Mukul Kasliwal	10
Unitex Designs Ltd. jointly with Mr. Warij Kasliwal	10
Unitex Designs Ltd. jointly with Mrs. Uravi Kasliwal	10
Unitex Designs Ltd. jointly with Mrs. Pratibha Kasliwal	10
Unitex Designs Ltd. jointly with Mr. Utkarsh Kasliwal	10
Unitex Designs Ltd. jointly with Mr. Vrishan Kasliwal & Mrs. Uravi Kasliwal	10
S. Kumars Limited	1,43,00,000
Dhuan Investment & Trading Private Limited	3,50,000
Devkant Synthetics (India) Private Limited	3,50,000
<b>Total</b>	<b>1,55,00,000</b>

**Brief Audited Financial Results of the Company are as follows:**
**(Rs. in Lacs)**

Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
Total Income	6882.24	101.79	3.52
Profit/ Loss after Tax	27.39	1.10	1.77
Share Capital	50.00	50.00	50.00
Reserves and Surplus (excluding revaluation reserve)	0.17	Nil	Nil
Earnings Per Share (in Rs.)	5.48	0.22	0.35
Book Value per Equity Share (in Rs.)	10.02	9.98	9.98
Face Value per Share (in Rs.)	10	10	10

**Other Details**

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

**7. MW Corp Private Limited**

<b>Date of Incorporation</b>	The Company was incorporated on December 22, 2006 as MW Holdings Private Limited under the Companies Act, 1956 in the State of Maharashtra. The name of the company was changed to MW Corp Private Limited and a fresh certificate of incorporation was received on March 26 , 2008
<b>Registered Office</b>	S. Kumars House, Plot No. 60, Street 14, MIDC, Phase II, Andheri (East), Mumbai – 400 093
<b>Nature of Business</b>	To carry on in India or elsewhere the business of an Investment and Finance Company.
<b>CIN</b>	U65993MH2006PTC166424
<b>Listing Status</b>	Unlisted

**Board of Directors as on 31<sup>st</sup> March 2008**

Name	Designation
Mr. Warij A. Kasliwal	Chairman
Mr. Mukul S. Kasliwal	Director
Ms. Uravi M. Kasliwal	Director
Ms. Pratibha W. Kasliwal	Director
Mr. Bharat S. Vindhara	Director

**List of Shareholders as on 31<sup>st</sup> March 2008**

Name of the shareholder	No of shares held
Raj Infin Private Limited jointly with Shri Mukul S. Kasliwal	10
Girija Holdings Private Limited jointly with Shri Warij A. Kasliwal	10
Raj Infin Private Limited	2499990

Girija Holdings Private Limited	2499990
<b>Total</b>	<b>5000000</b>

**Brief Audited Financial Results of the Company is as follows:**

**(Rs. in Lacs)**

<b>Particulars</b>	<b>31<sup>st</sup> March 2007</b>
Total Income	0.00
Profit/ Loss after Tax	0.00
Share Capital	1.00
Reserves and Surplus (excluding revaluation reserve)	0.00
Earnings Per Share (in Rs.)	0.00
Book Value per Equity Share (in Rs.)	10.00
Face Value per Share (in Rs.)	10.00

The Company is yet to commence commercial operations.

#### **8. Manmade Fabrics Sales and Services Private Limited**

<b>Date of Incorporation</b>	The Company was incorporated on February 28, 1989 as Manmade Fabrics Sales and Services Private Limited under the Companies Act, 1956 in the State of Maharashtra.
<b>Registration No.</b>	11-50827
<b>Registered Office</b>	99, Niranjana, Marine Drive, Mumbai 400 002.
<b>Nature of Business</b>	To carry on the business of rendering services to various textile producers and merchants.
<b>CIN</b>	U51311MH1989PTC050827
<b>Listing Status</b>	Unlisted

#### **Board of Directors as on 31<sup>st</sup> March 2008**

<b>Name</b>	<b>Designation</b>
Mr.N.G. Gupta	Director
Mr. S.C. Dalal	Director

#### **List of Shareholders as on 31<sup>st</sup> March, 2008**

<b>Name of the shareholder</b>	<b>No of shares held</b>
S. Kumars Limited	980
S. Kumars Limited Jointly with Mukul S. Kasliwal	10
S. Kumars Limited Jointly with Warij A. Kasliwal	10
<b>Total</b>	<b>1000</b>



**Brief Audited Financial Results of the Company are as follows:**

(Rs. in Lacs)

Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
Total Income	88.93	75.53	74.78
Profit/ Loss after Tax	(6.17)	(0.35)	(6.14)
Share Capital	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserve)	Nil	Nil	Nil
Earnings Per Share (in Rs.)	617.00	(34.97)	(613.76)
Book Value per Equity Share (in Rs.)	20.00	20.00	20.00
Face Value per Share (in Rs.)	100	100	100

**Other Details**

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

**Other Ventures Promoted by the Promoter/Associate Companies/ Persons Acting in Concert**
**1. Kartikeya Finvest Pvt. Limited**

<b>Date of Incorporation</b>	The Company was incorporated on February 27, 1991 as Kartikeya Finvest Pvt. Limited under the Companies Act, 1956 in the State of Maharashtra.
<b>Registration No.</b>	11-60534
<b>Registered Office</b>	"Niranjan", 99, Marine Drive, Mumbai-400 002
<b>Nature of Business</b>	To carry on the business as financiers and investors and for that purpose to provide financial facilities, enter into financial arrangements, hire purchasers, leases, deferred payments, financing industrial, commercial and other enterprises by way of accepting and /or giving short term and long term loans, advances and deposits, whether secured or unsecured in all kinds of immovable and movable properties, negotiate loan in any form or manner.
<b>IT PAN</b>	AABCK2927Q
<b>CIN</b>	U65990MH1991PTC060534
<b>Listing Status</b>	Unlisted
<b>Bank Account</b>	Current Account 623505381094, ICICI Bank Limited

**Board of Directors as on 31<sup>st</sup> March 2008**

Name of Director	Designation
Shri Shambhukumar S. Kasliwal	Chairman
Smt. Rajkumari S. Kasliwal	Director
Shri Ambuj A. Kasliwal	Director

**List of Shareholders as on 31<sup>st</sup> March, 2008**

Name of the Shareholders	No. of Shares
Shri Shambhukumar S. Kasliwal	348
Smt. Rajkumari S. Kasliwal	201
Shri Ambuj A. Kasliwal	1

Name of the Shareholders	No. of Shares
Shri Vikas S. Kasliwal	150
Shri Nitin S. Kasliwal	150
Shri Mukul S. Kasliwal	150
<b>TOTAL</b>	<b>1000</b>

**Brief Audited Financial Results of the Company is as follows:**

(Rs. in Lacs)

Particulars	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005	31 <sup>st</sup> March 2004
Total Income	42.33	0.50	0.75
Profit/loss after Tax	38.21	0.37	0.0002
Share Capital (Equity)	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserve)	182.03	143.82	143.44
Earnings Per Share (in Rs.)	3821.15	37..31	(0.24)
Book Value per Equity Share (in Rs.)	18302.90	14481.75	14444.44
Face Value per Share (in Rs.)	100.00	100.00	100.00

#### Other Details

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

## 2. Moolsha Investment Pvt. Limited

<b>Date of Incorporation</b>	The Company was incorporated on February 21, 1991 as Moolsha Investment Pvt. Limited under the Companies Act, 1956 in the State of Maharashtra
<b>Registration No.</b>	11-60388
<b>Registered Office</b>	"Niranjan", 99, Marine Drive, Mumbai-400 002
<b>Nature of Business</b>	To act as an investment company and for this purpose to acquire, purchase, sell, exchange, subscribe for hold and otherwise dispose off and deal in any shares , debentures, bonds, stocks, commercial papers, notes units, securities, immovables, mortgages, obligations, including any rights, privileges or advantages therein.
<b>IT PAN</b>	AAACM4115F
<b>CIN</b>	U67120MH1991PTC060388
<b>Listing Status</b>	Unlisted
<b>Bank Account</b>	Current Account: 623505381062, ICICI Bank Limited

**Board of Directors as on 31<sup>st</sup> March 2008**

Name of Director	Designation
Smt. Kamalaraja A. Kasliwal	Chairman
Shri Ambuj A. Kasliwal	Director
Shri Warij A. Kasliwal	Director
Shri Vikas S. Kasliwal	Director

**Shareholding Pattern as on 31<sup>st</sup> March 2008**

Name of the Shareholder	No of shares held
Smt. Kamalaraja A. Kasliwal	650
Shri Ambuj A. Kasliwal	200
Shri Warij A. Kasliwal	150
<b>TOTAL</b>	<b>1000</b>

**Brief Audited Financial Results of the Company is as follows:**

(Rs. in Lacs)

Particulars	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005	31 <sup>st</sup> March 2004
Total Income	214.95	0.54	0.86
Profit/ Loss after Tax	176.33	0.30	0.004
Share Capital	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserve)	321.89	145.55	145.25
Earnings Per Share (in Rs.)	17633.64	30.56	0.12
Book Value per Equity Share (in Rs.)	32289.33	14655.69	14625.14
Face Value per Share (in Rs.)	100.00	100.00	100.00

**Other Details**

Public Issue or rights Issue in the preceding 3 years	No
Whether the company has become a sick company within the meaning of sick industrial companies( Special Provision) Act 1985 or is under winding up	No

**Disassociation by Promoters**

The promoters have not disassociated themselves from any of the Companies during three preceding years except as follows

Under the family settlement, the S Kumar Group split and two parts came in the fold of Shri Mukul Kasliwal & Shri Warij Kasliwal. In the process, the following individuals and companies namely Mr..Shambhukumar S. Kasliwal, Mr. Ambuj Kasliwal, Mr. Vikas Kasliwal, Mr. Nitin Kasliwal, M/s. S. Kumars Nationwide Ltd., Shree Ram Mills Limited., S. Kumars Online Limited, Landmarc Leisures Corporation Ltd., Anjani Finvest Pvt. Ltd., Ani Abhi Investments Pvt. Ltd., Vidhi Holdings P. Ltd., S Kumars Retailers Services P. Ltd have been dissociated from the company.

Accordingly, Shri Mukul Kasliwal, Shri Warij Kasliwal and other promoters of Issuer Company have disassociated from M/s S. Kumars Nationwide Ltd., Shree Ram Mills Limited., S. Kumars Online Limited and Landmarc Leisures Corporation Ltd.

#### **Undertakings by Promoters relating to the ventures promoted by them**

The Promoters have certified except as stated elsewhere in this Letter of Offer, there are no contingent liabilities not provided for, outstanding litigations, disputes, non payment of statutory dues, over dues to banks/ financial institutions, defaults against banks/ financial institution, defaults in dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares issued by the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act, 1956) against any of the abovementioned Company.

#### **Common Pursuits**

There are no common pursuits among the Company and the Group Companies.

#### **Litigation**

For details on outstanding litigations against Group Companies please refer page no. 132 of this Letter of Offer

#### **Related Party Transactions**

For details of Related Party Transaction please refer to details given under the section titled "Related Party Transactions" on page 114 of this Letter of Offer.

**PART II**  
**SECTION IV - FINANCIAL INFORMATION**

**A. AUDITORS' REPORT**

The Board of Directors

**Entegra Limited**

(Formerly known as Entegra Infrastructures Limited)

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

Dear Sirs,

As required by Part II of Schedule II to the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 issued by the Securities and Exchange Board of India ("SEBI") in pursuance of Section 11 of the SEBI Act, 1992 ("SEBI Guidelines"), we have examined the financial information (restated wherever applicable) contained in the statements annexed to this report which is proposed to be included in the Letter of Offer of **ENTEGRA LIMITED** ("the Company") in connection with the proposed Rights Issue and we report as follows:

We have examined the 'Statement of Assets and Liabilities – Standalone – (Restated)' as on 31<sup>st</sup> December 2002, 31<sup>st</sup> March 2004 (15 months ended), 31<sup>st</sup> March 2005, 31<sup>st</sup> March 2006, 31<sup>st</sup> March 2007 and 31<sup>st</sup> January 2008 (10 Months), Statement of Profit and Loss Account – Standalone – (Restated) and Statement of Cash Flow – Standalone – (Restated) for the financial years/periods ended on those dates (as represented by Annexure- IA), 'Statement of Assets and Liabilities – Consolidated – (Restated)' as on 31<sup>st</sup> December 2002, 31<sup>st</sup> March 2004 (15 months ended), 31<sup>st</sup> March 2005, and 31<sup>st</sup> January 2008 (10 months), 'Statement of Profits and Losses – Consolidated – (Restated)', 'Statement of Cash Flows – Consolidated – (Restated)' for the financial years/periods ended on those dates (as represented by Annexure- IB) and the related financial statement Schedules (Annexure II to IV and X to XII). The said financial information is extracted from the financial statements for each of the accounting years/periods ended on 31<sup>st</sup> December 2002, 31<sup>st</sup> March 2004, 31<sup>st</sup> March 2005, 31<sup>st</sup> March 2006, 31<sup>st</sup> March 2007 and 31<sup>st</sup> January 2008 (10 months) as audited by us and adopted by the Members of the Company (with the exception of financial statements for the period ended on 31<sup>st</sup> January, 2008). These statements are primarily the responsibility of the Company's Management and have been prepared by the Company and audited by us in terms of the above requirements.

Also the restatement of the financial statements as above was carried out in respect of the accounting years / periods as mentioned, to give effect, to the extent ascertained and quantified in monetary terms, to the following:

- (i) Changes in Accounting policies carried out by the Company,
- (ii) Qualifications in the Auditors' Report, and
- (iii) Extra Ordinary Items and Prior Period Adjustments

1. We have examined the following financial information of the Company relating to the accounting years / periods stated above (as restated), proposed to be included in the Offer Document, approved by the Board of Directors and annexed to this report:

- a) Statement of Dividend paid by the Company (Annexure V).
- b) Summary of the Accounting Ratios based on the adjusted profits relating to Earnings Per Share, Net Asset Value Return on Net Worth (Annexure VI).
- c) Capitalization Statement of the Company (Annexure VII).
- d) Statement of Other Income (Annexure VIII).
- e) Tax Shelter Statement (Annexure IX).

2. The Company has a subsidiary as on 31<sup>st</sup> January 2008, 31<sup>st</sup> March 2005, 31<sup>st</sup> March 2004 and 31<sup>st</sup> December 2002. The consolidated restated financial information in respect of said subsidiary companies has been included.

In our opinion, the financial information of the Company as attached to this report as mentioned in paragraph (1) above, read with the Significant Accounting Policies (Annexure II) and Significant Notes on Accounts (Annexure III) has been prepared in accordance with the provisions of Part II of Schedule II of the Companies Act, 1956 and the relevant SEBI (DIP) Guidelines.

This report is intended solely for the use of **ENTEGR LIMITED (formerly Entegra Infrastructures Limited)**, for the purpose of inclusion in the Offer Document in connection with the Rights Issue of the Company. This report may not be used or relied upon by, or disclosed, referred to or communicated by yourself (in whole or in part) to, any third party for any purpose other than the stated use, except with our written consent in each instance, and which consent may be given only after full consideration of the circumstances at that time.

For **Malpani & Associates**  
Chartered Accountants

Sd/-  
**Shyam Malpani**  
Proprietor  
Membership No. 34171

Mumbai: dated 17<sup>th</sup> June, 2008

**Annexure – IA**
**Statement of Assets & Liabilities – Standalone – (Restated)**
**(Rs. In Lakhs)**

Particulars	As at 31.01.08	As at 31.03.07	As at 31.03.06	As at 31.03.05	As at 31.03.04	As at 31.12.02
<b>Fixed Assets:</b>						
<b>Gross Block</b>	48.10	20.82	18.93	17.63	10.3	65.87
<b>Less: Depreciation</b>	8.02	5.12	3.38	4.07	4.29	18.19
<b>Net Block</b>	<b>40.08</b>	<b>15.70</b>	<b>15.55</b>	<b>13.56</b>	<b>6.01</b>	<b>47.68</b>
Pre-Operative Expenses (Pending allocation)	139.67	65.07	22.13	22.07	21.53	21.53
	<b>179.75</b>	<b>80.77</b>	<b>37.68</b>	<b>35.63</b>	<b>27.54</b>	<b>69.21</b>
<b>Investments</b>	<b>2.32</b>	<b>0.72</b>	<b>3044.81</b>	<b>18024.82</b>	<b>19351.98</b>	<b>16977.68</b>
<b>Current Assets, Loans &amp; Advances:</b>						
Inventories	-	-	-	-	-	-
Sundry Debtors	33,921.76	25,403.63	15,922.81	-	-	-
Cash & Bank Balances	2,592.75	45.70	46.26	33.97	73.29	123.90
Loans & Advances	2,677.98	2,242.83	190.97	418.69	622.09	281.80
	<b>39,374.56</b>	<b>27,692.16</b>	<b>16,160.04</b>	<b>452.66</b>	<b>695.38</b>	<b>405.70</b>
<b>Loans, Current Liabilities and Provisions:</b>						
Secured Loans	87.33	4.10	7.08	5.49	-	6.93
Unsecured Loans	6,344.71	8,427.53	6,668.29	12,153.27	13,924.26	11,217.36
Deferred Tax Liability	2.59	0.82	0.85	5.56	5.53	5.49
Current Liabilities	14,288.33	7,011.60	2,529.29	1,319.55	1,058.92	1,121.53
Provisions	400.08	252.30	114.30	95.30	32.30	32.18
	<b>21,123.04</b>	<b>15,696.35</b>	<b>9,319.81</b>	<b>13,579.17</b>	<b>15,021.01</b>	<b>12,383.49</b>
<b>Total</b>	<b>18,251.52</b>	<b>12,077.30</b>	<b>9,922.72</b>	<b>4,933.94</b>	<b>5,053.89</b>	<b>5,069.10</b>
<b>Shareholders' Funds:</b>						
Share Capital	5,100.01	5,100.01	5,100.01	5,100.01	5,100.01	5,100.01
Reserve & Surplus	2,282.46	1,321.38	39.43	(158.57)	(24.92)	(16.19)
Miscellaneous Expenditure (to the extent not written off or adjusted)	(38.45)	(44.09)	(28.22)	(7.50)	(21.20)	(14.72)
<b>Net Worth</b>	<b>7,344.03</b>	<b>6,377.30</b>	<b>5,111.22</b>	<b>4,933.94</b>	<b>5,053.89</b>	<b>5,069.10</b>
Share Application Money not included in the Net Worth	10,907.50	5,700.00	4,811.50	-	-	-
<b>Total</b>	<b>18,251.52</b>	<b>12,077.30</b>	<b>9,922.72</b>	<b>4,933.94</b>	<b>5,053.89</b>	<b>5,069.10</b>
<b>Add / (Less) Adjustments for the Restatements::</b>						
Pre Operative Expenses (Refer Note No. A – II – 2 & 9)	-	-	-	-	(21.53)	(21.53)
Doubtful advances (Refer Note No. A – II – 4 & 8)	-	-	-	-	(36.00)	(36.00)
Provision for Tax (Refer Note No. A – II – 5 & 10)	-	-	-	-	(62.98)	(61.99)
Capitalisation of Interest (Reversal) (Refer Note No. A – II – 1, 3 & 7)	-	-	-	(4,372.51)	(5,699.67)	(3,325.37)
<b>Net Worth Restated</b>	<b>7,344.03</b>	<b>6,377.30</b>	<b>5,111.22</b>	<b>561.43</b>	<b>(766.29)</b>	<b>1,624.21</b>

- For detailed Notes, Please refer Annexure – III of this Report.

**Statement of Profits & Loss – Standalone – (Restated)**

(Rs. In Lakhs)

Particulars	Period ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period (15 months) ended 31.03.04	Year ended 31.12.02
<b>Income</b>						
<b>Sales</b>						
Products Traded in by the Company / Project Consultancy Fees	16103.42	19,718.91	3,444.83	-	-	72.00
<b>Total Operational Income</b>	<b>16103.42</b>	<b>19,718.91</b>	<b>3,444.83</b>	<b>-</b>	<b>-</b>	<b>72.00</b>
Other Income	1,658.32	430.83	14.21	2.82	-	10.62
Increase / (Decrease) in Inventories	-	-	-	-	-	-
<b>Total (A)</b>	<b>17761.74</b>	<b>20,149.74</b>	<b>3,459.04</b>	<b>2.82</b>	<b>-</b>	<b>82.62</b>
<b>Expenditure</b>						
Purchase of Trading Goods	16054.58	17,571.95	2,502.43	-	-	-
Operative Expenses	368.00	363.10	56.90	57.89	-	37.20
Financial Charges	153.55	474.28	680.37	0.33	-	3.41
Depreciation	2.91	1.74	1.81	1.53	-	6.80
Share Issue Expenses Written Off	4.27	-	-	3.00	-	3.00
Preliminary Expenses Written Off	1.38	6.32	3.94	0.13	-	0.27
<b>Total (B)</b>	<b>16584.69</b>	<b>18,417.39</b>	<b>3,245.45</b>	<b>62.88</b>	<b>-</b>	<b>50.68</b>
<b>Profit before Extra Ordinary Items &amp; Prior Period Adjustments (A-B)</b>	<b>1177.05</b>	<b>1,732.35</b>	<b>213.59</b>	<b>(60.06)</b>	<b>-</b>	<b>31.94</b>
<b>Add / (Less):</b> Prior Period Adjustments	(69.92)	(20.95)	(0.36)			(6.00)
<b>Add / (Less):</b> Extra Ordinary Items		(271.91)		-	-	
<b>Profit before Tax after Extra Ordinary Items &amp; Prior Period Adjustments</b>	<b>1107.13</b>	<b>1,439.49</b>	<b>213.23</b>	<b>(60.06)</b>	<b>-</b>	<b>25.94</b>
Provision for Taxation	140.00	170.00	19.00	-	-	0.13
Provision for Fringe Benefit Tax	4.29	-	0.94	-	-	-
Provision for Wealth Tax / Earlier years IT	-	(12.43)	-	-	-	-
Deferred Tax	1.77	(0.04)	(4.70)	0.03	-	1.46
<b>Profit after Tax</b>	<b>961.07</b>	<b>1,281.96</b>	<b>197.99</b>	<b>(60.09)</b>	<b>-</b>	<b>24.35</b>
<b>Add / (Less): Adjustments for Restatement:</b>						
Interest Capitalized / Reversed (Refer Note No. A – I – 1 and A – II – 1, 3 & 7)	-	-	4,372.51	1,327.16	(2,374.30)	(3,325.37)
Pre- Operative Expenses (Refer Note No. A – I – 2)	-	-	-	-	4.36	-
Deferral of Expenses (Refer Note No. A – I – 2)	-	-	-	-	(16.69)	-
Pre- Operative Expenses (Refer Note No. A – II- 2 & 9)	-	-	-	21.53	-	(21.53)
Depreciation (Refer Note No. A – I – 2)	-	-	-	-	(2.74)	-
Share Issue Expenses Written Off (Refer Note No. A – I – 2)	-	-	-	-	(3.75)	-
Preliminary Expenditure Written Off (Refer Note No. A – I – 2)	-	-	-	-	(0.34)	-
Provision for Taxation (Refer Note No. A – I – 2, A – II – 5 & 10)	-	-	-	-	(1.13)	(62.00)
Deferred Tax Liability	-	-	-	-	-	(4.02)
Provision for Loans & Advances (Refer Note No. A – II- 4 & 8)	-	-	-	36.00	-	(36.00)
<b>Profit after Tax – Restated</b>	<b>961.07</b>	<b>1,281.96</b>	<b>4,570.50</b>	<b>1,324.60</b>	<b>(2,394.59)</b>	<b>(3,424.57)</b>
<b>Balance Brought forward &amp; General Reserve – Restated</b>	<b>1,321.39</b>	<b>39.43</b>	<b>(4,531.07)</b>	<b>(5,855.67)</b>	<b>(3,461.08)</b>	<b>(36.51)</b>
<b>Profit available for Appropriation – Restated</b>	<b>2,282.46</b>	<b>1,321.39</b>	<b>39.43</b>	<b>(4,531.07)</b>	<b>(5,855.67)</b>	<b>(3,461.08)</b>

\* For detailed Notes, Please refer Annexure – III of this Report.



**Statement of Cash Flow – Standalone – (Restated)**
**(Rs. In Lakhs)**

Particulars	Period ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period 15 Months) ended 31.03.04	Year ended 31.12.02
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Net Profit / (Loss) after tax – Restated</b>	<b>961.07</b>	<b>1,281.96</b>	<b>4,570.50</b>	<b>1,324.60</b>	<b>(2,394.59)</b>	<b>(3,424.57)</b>
Add:						
1) Depreciation	2.91	1.74	1.81	1.53	-	6.80
2) Preliminary Expenses Written Off	1.38	-	-	0.13	-	0.27
3) Share Issue Expenses Written Off	4.27	6.32	3.94	3.00	-	3.00
4) Interest Paid	109.15	16.29		0.21	-	1.49
5) Provision for Bad and Doubtful debts	-	-	-	42.57	-	-
6) Provision for Leave Encashment & Gratuity	7.77	-	-	-	-	-
7) Loss on Sale of Car	-	-	0.87	0.85	-	-
8) Income Tax Provision for earlier year	-	12.43		-	-	-
9) Pre Operative Expenses	-	-	-	-	-	-
<b>Total</b>	<b>1086.55</b>	<b>1,318.74</b>	<b>4,577.12</b>	<b>1,372.89</b>	<b>(2,394.59)</b>	<b>(3,413.01)</b>
Less:						
1) Prior Period Expenses	69.92	20.95	0.36	-	-	6.00
2) Extra Ordinary Items (Debit)	-	271.91	-	-	-	-
3) Income Write Back	-	-	-	-	-	-
4) Income Tax Refund Received	-	-	-	-	-	-
5) Interest Received	89.40	2.86	-	-	-	4.28
6) Income Tax Provision for earlier year no longer required	-	32.00	-	-	-	-
<b>Total</b>	<b>159.32</b>	<b>327.72</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>10.28</b>
<b>Operating Profit before Working Capital Changes</b>	<b>927.23</b>	<b>991.02</b>	<b>4,576.76</b>	<b>1,372.89</b>	<b>(2,394.59)</b>	<b>(3,423.29)</b>
Provision for Tax	140.00	170.00	19.00	-	-	0.13
Provision for Fringe Benefit Tax	4.29	-	-	-	-	-
Provision for Wealth Tax / Earlier Year IT	-	(12.43)	-	-	-	-
Deferred Tax	1.77	(0.04)	(4.70)	0.03	-	1.45
<b>Operating Profit before Working Capital Changes - Restated before Tax</b>	<b>1073.29</b>	<b>1,148.55</b>	<b>4,591.06</b>	<b>1,372.92</b>	<b>(2,394.59)</b>	<b>(3,421.71)</b>
<b>Add: Prior Period Adjustments</b>	<b>69.92</b>	<b>20.95</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>6.00</b>
<b>Add: Extra Ordinary Items</b>		<b>271.91</b>				
<b>Operating Profit before Working Capital Changes - Restated before Tax after Extra Ordinary Items</b>	<b>1143.21</b>	<b>1,441.41</b>	<b>4,591.42</b>	<b>1,372.92</b>	<b>(2,394.59)</b>	<b>(3,415.71)</b>
<b>Add / (Less): Adjustments for Restatement:</b>						
Interest Capitalized / Reversed (Refer Note No. A – I - 1 and A – II - 1, 3 & 7)	-	-	(4,372.51)	(1,327.16)	2,374.30	3,325.37
Pre- Operative Expenses (Refer Note No. A – I- 2)	-	-	-	-	(4.36)	-
Deferral of Expenses (Refer Note No. A – I – 2)	-	-	-	-	16.69	-

Particulars	Period ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period 15 Months) ended 31.03.04	Year ended 31.12.02
Pre- Operative Expenses (Refer Note No. A – II – 2 & 9)	-	-	-	(21.53)	-	21.53
Depreciation (Refer Note No. A – I – 2)	-	-	-	-	2.74	-
Share Issue Expenses Written Off (Refer Note No. A– I– 2)	-	-	-	-	3.75	-
Preliminary Expenditure Written Off (Refer Note No. A – I - 2)	-	-	-	-	0.34	-
Provision for Taxation (Refer Note No. A – I – 2, A – II - 5 & 10)	-	-	-	-	1.13	62.00
Deferred Tax Liability	-	-	-	-	-	4.02
Provision for Loans & Advances (Refer Note No. A–II-4 & 8)	-	-	-	(36.00)	-	36.00
<b>Operating Profit before Working Capital Changes - Restated before Tax</b>	<b>1,143.21</b>	<b>1,441.41</b>	<b>218.91</b>	<b>(11.77)</b>	<b>0.00</b>	<b>33.21</b>
Adjustments for Changes in Current Assets / Liabilities						
Add: 1) Loans and Advances	-	-	-	-	-	-
2) Inventories	-	-	-	-	-	-
3) Trade Receivables	-	-	-	187.43	-	176.09
4) Trade Payable	7416.75	4,482.24	1,209.74	-	-	135.45
<b>Total</b>	<b>7416.75</b>	<b>4,482.24</b>	<b>1,209.74</b>	<b>187.43</b>	<b>-</b>	<b>311.54</b>
Less: 1) Loans and Advances	301.41	2,070.60	15,623.18	-	340.44	146.21
2) Inventories	-	-	-	-	-	-
3) Trade Receivables	8518.14	9,480.82	-	-	-	-
4) Trade Payable	-	-	-	116.42	62.44	-
<b>Total</b>	<b>8819.55</b>	<b>11,551.42</b>	<b>15,623.18</b>	<b>116.42</b>	<b>402.88</b>	<b>146.21</b>
<b>Cash Generated from / (Used) in Operations</b>	<b>(259.59)</b>	<b>(5,627.77)</b>	<b>(14,194.53)</b>	<b>59.24</b>	<b>(402.88)</b>	<b>198.54</b>
Less: Direct Taxes paid (net of interest on I. T. Refunds)	278.03	(18.81)	71.92	10.00	(0.15)	5.42
<b>Net Cash Inflow from Operating Activities (A)</b>	<b>(537.62)</b>	<b>(5,608.96)</b>	<b>(14,266.45)</b>	<b>49.24</b>	<b>(402.73)</b>	<b>193.12</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>						
Add: 1) Sale of Fixed Assets	-	-	-	-	41.67	2.79
2) Interest Received	-	-	-	-	-	4.28
3) Dividend Received	-	-	-	-	-	-
4) Sale of Investments	-	3,044.09	14,980.01	-	-	-
5) Deferred Revenue Expenses	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,044.09</b>	<b>14,980.01</b>	<b>-</b>	<b>41.67</b>	<b>7.07</b>
Less: 1) Purchase of Fixed Assets	27.29	1.89	4.68	6.48	-	-
2) Pre Operative Expenses	74.60	65.13	24.71	-	-	-
3) Deferred Revenue Expenses	-	-	-	-	15.21	-
4) Purchase of Investment	1.60	-	-	-	2,374.30	1,539.32
<b>Total</b>	<b>103.49</b>	<b>67.02</b>	<b>29.39</b>	<b>6.48</b>	<b>2,389.51</b>	<b>1,539.32</b>
<b>Net Cash Generated from Investing Activities (B)</b>	<b>(103.49)</b>	<b>2,977.07</b>	<b>14,950.62</b>	<b>(6.48)</b>	<b>(2,347.84)</b>	<b>(1,532.50)</b>

Particulars	Period ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period (15 Months) ended 31.03.04	Year ended 31.12.02
<b>C) CASH FLOW FROM FINANCIAL ACTIVITIES</b>						
Inflow:						
1) Share Application Money Received	5,207.50	888.50	4,811.50	-	-	-
2) Proceeds from Secured Loan (Net of Repayment)	83.23	-	1.60	5.49	-	-
3) Proceeds from Unsecured Loan (Net of Repayment)	-	1,759.24	-	-	2,706.90	1,449.55
4) Increase in Working Capital Borrowings	-	-	-	-	-	-
5) Proceeds from other Borrowings	-	-	-	-	-	-
6) Increase in Capital	-	-	-	-	-	-
7) Interest Received	89.40	2.86	-	-	-	-
<b>Total</b>	<b>5,380.13</b>	<b>2,650.60</b>	<b>4,813.10</b>	<b>5.49</b>	<b>2,706.90</b>	<b>1,449.55</b>
Outflow: 1) Proceeds from Unsecured Loan (Net of Repayment)	2082.82	-	5,484.98	35.37	-	-
2) Proceeds from Secured Loan (Net of Repayment)	-	2.98	-	-	6.94	11.48
3) Decrease in Working Capital Borrowings	-	-	-	-	-	-
4) Interest Paid	109.15	16.29	-	52.20	-	1.49
5) Dividend Paid Including Dividend Corporate Tax	-	-	-	-	-	-
<b>Total</b>	<b>2191.97</b>	<b>19.27</b>	<b>5,484.98</b>	<b>87.57</b>	<b>6.94</b>	<b>12.97</b>
<b>Net Cash Flow Generated from Financial Activities ( C )</b>	<b>3,188.16</b>	<b>2,631.33</b>	<b>(671.88)</b>	<b>(82.08)</b>	<b>2,699.96</b>	<b>1,436.58</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A + B +C)</b>	<b>2547.05</b>	<b>(0.56)</b>	<b>12.29</b>	<b>(39.32)</b>	<b>(50.61)</b>	<b>97.45</b>
<b>Cash and Cash Equivalents - Opening Balances</b>	<b>45.70</b>	<b>46.26</b>	<b>33.97</b>	<b>73.29</b>	<b>123.90</b>	<b>26.45</b>
<b>Cash and Cash Equivalents – Closing Balances</b>	<b>2592.75</b>	<b>45.70</b>	<b>46.26</b>	<b>33.97</b>	<b>73.29</b>	<b>123.90</b>

\* For detailed Notes, Please refer Annexure – III of this Report.

**Annexure – IB**
**Statement of Assets & Liabilities – Consolidated – (Restated)**
**(Rs. In Lakhs)**

Particulars		As at 31.01.08	As at 31.03.05	As at 31.03.04	As at 31.12.02
<b>A</b>	<b>Fixed Assets:</b>				
	<b>Gross Block</b>	49.25	1,764.22	1,756.02	1,786.45
	<b>Less: Depreciation</b>	8.04	205.26	186.71	161.45
	<b>Capital Work in Progress</b>	-	30,884.84	31,176.42	31,807.11
	<b>Net Block</b>	41.21	32,443.80	32,745.73	33,432.11
	<b>Goodwill on Consolidation</b>	-	8,780.67	5,707.17	3,332.87
	Pre-Operative Expenses (Pending allocation)	139.67	51,115.06	44,142.37	31,347.77
		<b>180.88</b>	<b>92,339.53</b>	<b>82,595.27</b>	<b>68,112.75</b>
<b>B</b>	<b>Investments</b>	<b>1.32</b>	<b>10.90</b>	<b>560.26</b>	<b>0.67</b>
<b>C</b>	<b>Current Assets, Loans &amp; Advances:</b>				
	Inventories	-	-	-	-
	Sundry Debtors	33921.77	-	-	-
	Cash & Bank Balances	2598.58	616.52	549.84	211.09
	Loans & Advances	2,651.99	4,294.94	1,317.02	975.30
		<b>39354.54</b>	<b>4,911.46</b>	<b>1,866.86</b>	<b>1,186.39</b>
<b>D</b>	<b>Liabilities and Provisions:</b>				
	Secured Loans	87.33	63,505.70	57,529.46	43,647.49
	Unsecured Loans	6,344.71	9,414.86	13,931.35	11,222.67
	Deferred Tax Liability	2.59	5.56	5.53	5.49
	Current Liabilities	14291.69	14,223.75	8,542.68	9,384.80
	Provisions	400.08	134.92	44.69	55.48
		<b>21126.40</b>	<b>87,284.79</b>	<b>80,053.71</b>	<b>64,315.93</b>
	<b>Total (A+B+C-D)</b>	<b>18,228.14</b>	<b>9,977.10</b>	<b>4,968.68</b>	<b>4,983.88</b>
	Represented by				
<b>E</b>	<b>Shareholders' Funds:</b>				
	Share Capital	5,100.01	5,100.01	5,100.01	5,100.01
	Minority Interest	-	755.86	-	-
	Reserve & Surplus	2,281.64	4,213.94	(24.92)	(16.19)
	Miscellaneous Expenditure	(61.01)	(92.71)	(106.41)	(99.93)
	<b>Net Worth</b>	<b>7,320.64</b>	<b>9,977.10</b>	<b>4,968.68</b>	<b>4,983.89</b>
<b>F</b>	Share Application Money Not included in the Net Worth	10,907.50			
	<b>Total (E+F)</b>	<b>18228.14</b>	<b>9,977.10</b>	<b>4,968.68</b>	<b>4,983.89</b>
<b>G</b>	<b>Restatement Adjustments</b>				
	Capital Work in Progress	-	-	(3,682.58)	-
	Pre Operative Expenses	-	-	3,661.05	(21.53)
	Doubtful Advances	-	-	(36.00)	(36.00)
	Provision for Taxation	-	-	(62.98)	(61.99)
	Capitalization of Interest	-	(4,372.51)	(5,699.67)	(3,325.37)
		-	<b>(4,372.51)</b>	<b>(5,820.18)</b>	<b>(3,444.89)</b>
<b>H</b>	<b>Net Worth Restated</b>	<b>7,320.64</b>	<b>5,604.59</b>	<b>(851.50)</b>	<b>1,539.00</b>

\* For detailed Notes, Please refer Annexure – III of this Report.

**Note :**

1. The Company has subsidiaries as at 31<sup>st</sup> January, 2008 Ennertech Biofuels Ltd. (formerly known as Ennertech Biofuels Pvt. Ltd.) and as at 31<sup>st</sup> March, 2005 (Shree Maheshwar Hydel Power Corporation Ltd.). Accordingly, the Financial Statements in report of the said accounting periods have been consolidated.
2. The Company did not have any subsidiary as at 31<sup>st</sup> March 2006 and as at 31<sup>st</sup> March 2007 and hence the consolidated financial information in respect of those dates is not given.
3. The Company did not consolidate its accounts with those of its subsidiary as at 31<sup>st</sup> December 2002 and as at 31<sup>st</sup> March 2004 (fifteen months ended) in non compliance of Accounting Standard -21, which has been accordingly qualified in the respective audited financial statements. However, for the Sole purpose of uniformity in the above presentation, the same has been subsequently incorporated, duly Consolidated.

**Statement of Profits & Loss – Consolidated – (Restated)**

(Rs. In Lakhs)

Particulars	Period ended 31.01.08	Year ended 31.03.05	Year ended 31.03.04	Year ended 31.12.02
<b>Income</b>				
Sales				
Of Products Manufactured by the Company	-	-	-	-
Of Products Traded in by the company / Project Consultancy Fees	16103.42	-	-	72.00
<b>Total Sales</b>	<b>16103.42</b>	<b>-</b>	<b>-</b>	<b>72.00</b>
Other Income	1658.32	2.82	-	10.62
Increase / (Decrease) in Inventories	-	-	-	-
<b>Total (A)</b>	<b>17761.74</b>	<b>2.82</b>	<b>-</b>	<b>82.62</b>
<b>Expenditure</b>				
Raw Material Consumed / Purchases	16054.58	-	-	-
Personnel Expenditure	70.78	57.89	-	37.20
Other Manufacturing Expenses	-	-	-	-
Administration Expenses	297.45	-	-	-
Financial Expenses	153.56	0.33	-	3.41
Depreciation	2.91	1.53	-	6.80
Miscellaneous Expenditure Written off	5.79	3.13	-	3.27
<b>Total (B)</b>	<b>16585.07</b>	<b>62.88</b>	<b>-</b>	<b>50.68</b>
<b>Profit before Extra Ordinary Items &amp; Prior Period Adjustments (A-B)</b>	<b>1,176.67</b>	<b>(60.06)</b>	<b>-</b>	<b>31.94</b>
<b>Add / (Less):</b> Prior Period Adjustments	(69.91)			(6.00)
<b>Add / (Less):</b> Extra Ordinary Items	-	-	-	-
<b>Profit before Tax after Extra Ordinary Items</b>	<b>1,106.76</b>	<b>(60.06)</b>	<b>-</b>	<b>25.94</b>
Provision for Tax	140.00	-	-	0.13
Provision for Wealth Tax / Earlier Years IT	-	-	-	-
Deferred Tax	1.77	0.03	-	1.46
Fringe Benefit Tax	4.58	-	-	-
<b>Net Profit After Tax</b>	<b>960.41</b>	<b>(60.09)</b>	<b>-</b>	<b>24.35</b>
<b>Add / (Less): Adjustments for Restatement:</b>				
Interest Capitalized / Reversed (Refer Note No. A – I - 1 and A – II - 1, 3 & 7)	-	1,327.16	(2,374.30)	(3,325.37)
Pre- Operative Expenses (Refer Note No. A – I- 2)	-	-	4.36	-
Deferral of Expenses (Refer Note No. A – I- 2)	-	-	(16.69)	-
Pre- Operative Expenses (Refer Note No. A – II – 2 & 9)	-	21.53	-	(21.53)
Depreciation (Refer Note No. A – I- 2)	-	-	(2.74)	-
Share Issue Expenses Written Off (Refer Note No. A-I- 2)	-	-	(3.75)	-
Preliminary Expenditure Written Off (Refer Note No. A – I- 2)	-	-	(0.34)	-
Provision for Taxation (Refer Note No. A – I – 2, A – II – 5 & 10)	-	-	(1.13)	(62.00)
Deferred Tax Liability	-	-	-	(4.02)
Provision for Loans & Advances (Refer Note No. A – II - 4 & 8)	-	36.00	-	(36.00)
<b>Net Profit After Tax - After Restatement</b>	<b>960.41</b>	<b>1,324.60</b>	<b>(2,394.59)</b>	<b>(3,424.57)</b>
Balance Brought forward & General Reserve – Restated	1,321.21	(5,855.67)	(3,461.08)	(36.51)
<b>Profit available for Appropriation – Restated</b>	<b>2,281.62</b>	<b>(4,531.07)</b>	<b>(5,855.67)</b>	<b>(3,461.08)</b>

\* For detailed Notes, Please refer Annexure – III of this Report.

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**Note :**

1. The Company has subsidiaries as at 31<sup>st</sup> January, 2008 {Ennertech Biofuels Ltd. (formerly known as Ennertech Biofuels Pvt. Ltd.) and as at 31<sup>st</sup> March, 2005 (Shree Maheshwar Hydel Power Corporation Ltd.). Accordingly, the Financial Statements in report of the said accounting periods have been consolidated.
2. The Company did not have any subsidiary for the year ended 31st March 2006 and for the year ended 31st March 2007 and hence the consolidated financial information in respect of those years is not given.
3. The Company did not Consolidate its accounts with those of its subsidiary for the year ended 31st December 2002 and for the period ended 31st March 2004 (fifteen months ended) in non compliance of Accounting Standard -21, which has been accordingly qualified in the audited financial statements. However, for the Sole purpose of uniformity in the above presentation, the same has been subsequently incorporated duly Consolidated.

**Statement of Cash Flow – Consolidated – (Restated)**

(Rs. In Lakhs)

Particulars	Period ended 31.01.08	Year ended 31.03.05	Period ended 31.03.04	Year ended 31.12.02
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Net Profit / (Loss) after Tax – Restated</b>	<b>960.41</b>	<b>1,324.60</b>	<b>(2,394.59)</b>	<b>(3,424.57)</b>
<b>Adjustment for:</b>				
Depreciation	2.91	34.35	-	6.80
Preliminary Expenses Written Off	1.38	0.13	-	0.27
Share Issue Expenses Written Off	4.41	3.00	-	3.00
Prior Period Expenses	(69.91)	-	-	(6.00)
Interest Paid	109.16	5,976.57	-	(2.79)
Provision for Doubtful Loans & Advances	-	42.57	-	-
Provision for Leave Encashment & Gratuity	7.77	-	-	-
Loss on Sale of Investment	-	3.45	-	-
Loss on Sale of Assets (Net)	-	2.27	-	-
Interest on Fixed Deposit	(89.40)	(25.99)	-	-
Dividend on Investments	-	(9.09)	-	-
Pre Operative Expenses	-	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>926.73</b>	<b>7,351.86</b>	<b>(2,394.59)</b>	<b>(3,423.29)</b>
Provision for Taxation	140.00	-	-	0.13
Provision for Fringe Benefit Tax	4.58	-	-	-
Deferred Tax	1.77	0.03	-	1.46
Prior Period Adjustments	69.91	-	-	-
<b>Operating Profit before Working Capital Changes before tax – Restated</b>	<b>1142.99</b>	<b>7,351.89</b>	<b>(2,394.59)</b>	<b>(3,421.70)</b>
<b>Extra Ordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.00)</b>
<b>Operating Profit before Working Capital Changes before tax and Extraordinary Items – Restated</b>	<b>1142.99</b>	<b>7,351.89</b>	<b>(2,394.59)</b>	<b>(3,415.70)</b>
<b>Add / (Less): Adjustments for Restatement:</b>				
Interest Capitalized / Reversed (Refer Note No. A – I - 1 and A – II - 1, 3 & 7)	-	(1,327.16)	2,374.30	3,325.37
Pre- Operative Expenses (Refer Note No. A – I - 2)	-	-	(4.36)	-
Deferral of Expenses (Refer Note No. A – I - 2)	-	-	16.69	-
Pre- Operative Expenses (Refer Note No. A – II - 2 & 9)	-	(21.53)	-	21.53
Depreciation (Refer Note No. A – I - 2)	-	-	2.74	-
Share Issue Expenses Written Off (Refer Note No. A – I - 2)	-	-	3.75	-
Preliminary Expenditure Written Off (Refer Note No. A – I - 2)	-	-	0.34	-
Provision for Taxation (Refer Note No. A – I - 2, A – II - 5 & 10)	-	-	1.13	62.00
Deferred Tax Liability	-	-	-	4.02
Provision for Loans & Advances (Refer Note No. A – II - 4 & 8)	-	(36.00)	-	36.00
<b>Operating Profit before Working Capital Changes before tax and Extraordinary Items – Restated</b>	<b>1,142.99</b>	<b>5,967.20</b>	<b>0.00</b>	<b>33.22</b>
<b>Adjustment for Changes in Current Assets / Liabilities</b>				
Trade & Other Receivables	(8518.14)	-	-	176.09
Loans and Advances Given (Net of Recoveries)	(275.41)	688.69	(341.86)	(135.37)
Trade Payable	7420.10	378.51	(852.87)	3,967.37
<b>Cash generated from/ (Used) in operations</b>	<b>(230.46)</b>	<b>7,034.40</b>	<b>(1,194.73)</b>	<b>4,041.31</b>
Less: Direct Taxes paid	(278.32)	(10.00)	0.15	(5.42)
<b>Net Cash Inflow from Operating Activities (A)</b>	<b>(508.78)</b>	<b>7,024.40</b>	<b>(1,194.58)</b>	<b>4,035.89</b>



Particulars	Period ended 31.01.08	Year ended 31.03.05	Period ended 31.03.04	Year ended 31.12.02
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Income	-	26.00	-	4.28
Dividend Income	-	9.09	-	-
Sale / Purchase of Investments	(0.60)	545.90	(559.59)	(1,539.32)
Preoperative / Deferred Revenue Expenses	(97.31)	(6,991.99)	(12,801.08)	(8,619.43)
Sale / Purchase of Fixed Assets	(28.42)	(13.04)	55.69	33.30
Increase in Capital WIP	-	(351.35)	630.69	353.75
<b>Net Cash Generated from Investing Activities (B)</b>	<b>(126.33)</b>	<b>(6,775.39)</b>	<b>(12,674.29)</b>	<b>(9,767.42)</b>
<b>C) CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Share Application Money Received	5,207.50	-	-	-
Proceeds from Secured Loan (Net of Repayment)	83.23	5.49	13,881.97	4,459.42
Proceeds from Unsecured Loan (Net of Repayment)	(2082.82)	(35.37)	2,708.68	1,453.28
Transfer to Reserve	-	-	(8.73)	-
Interest Paid	(109.16)	(52.20)	(2,374.30)	(1.48)
Interest Received	89.40	-	-	-
Finance Charges Paid	-	(100.27)	-	-
Brought Forward Loss of Subsidiary	(0.17)	-	-	-
<b>Net Cash Flow Generated from Financial Activities (C)</b>	<b>3,187.98</b>	<b>(182.35)</b>	<b>14,207.62</b>	<b>5,911.22</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>2552.88</b>	<b>66.66</b>	<b>338.75</b>	<b>179.69</b>
<b>Cash and Cash Equivalents - Opening Balance</b>	<b>45.70</b>	<b>549.85</b>	<b>211.09</b>	<b>31.40</b>
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>2598.58</b>	<b>616.51</b>	<b>549.84</b>	<b>211.09</b>

\* For detailed Notes, Please refer Annexure – III of this Report.

**Note :**

- 1 The Company has subsidiaries as at 31<sup>st</sup> January, 2008 (Ennertech Biofuels Ltd. (formerly known as Ennertech Biofuels Pvt. Ltd.) and as at 31<sup>st</sup> March, 2005 (Shree Maheshwar Hydel Power Corporation Ltd.). Accordingly, the Financial Statements in report of the said accounting periods have been consolidated.
- 2 The Company did not have any subsidiary for the year ended 31<sup>st</sup> March 2006 and for the year ended 31<sup>st</sup> March 2007 and hence the consolidated financial information in respect of those years is not given.
- 3 The Company did not Consolidate its accounts with those of its subsidiary for the year ended 31<sup>st</sup> December 2002 and for the period ended 31<sup>st</sup> March 2004 (fifteen months ended) in non compliance of Accounting Standard -21, which has been accordingly qualified in the respective audited financial statements. However, for the Sole purpose of uniformity in the above presentation, the same has been subsequently incorporated duly Consolidated.

**Statement of Significant Accounting Policies:****1      General**

- a) The financial statements are prepared on the historical cost basis, in accordance with mandatory accounting standards and on the accounting principles of a going concern.
- b) All expenses and income to the extent considered payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on accrual basis except those which significant uncertainties.

**2)      Fixed Assets**

Fixed assets are stated at their original cost of acquisition including incidental expenses related to such acquisition and installation less accumulated depreciation.

**3)      Depreciation**

Depreciation is provided on Straight Line Method at the rates and in the manner prescribed in the Schedule - XIV to the Companies Act, 1956 and on pro-rata basis with reference to the month of additions/deductions.

**4)      Expenditure during Construction period**

Expenditure related to and incurred during implementation of new project is included under Pre-operative expenses (pending allocation) to be capitalized under appropriate heads on capitalization of the related projects or is treated as deferred revenue expenditure.

**5)      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. With effect from 01.10.2000 and upto 31.03.2005, interest on unsecured loans borrowed for the purpose of implementation of a power project was capitalised under the head of investments. The said policy was changed on 01.04.2005 and interest on loans from the said date has been changed to revenue.

**6)      Foreign Currency Transactions**

Transactions in foreign currency are translated at the rate of exchange prevailing on the date of transaction. Assets and liabilities are expressed in foreign currency at year-end rates and exchange differences arising on such revaluation are recognised in the Profit and Loss Account.

Further, in respect of the forward Contracts which have been entered in one accounting period and cancelled / renewed / exercised in the same accounting period, the difference between the forward rate and the rate on the date of cancellation as at the end of the contract is consistently recognized in the statement of Profit and Loss under the head 'Foreign Exchange Fluctuations'.

**7)      Borrowing Cost:**

Borrowing costs incurred for business purposes as well as for the purpose of investing the same in long term projects are charged to the revenue.

**8.      Impairment of Assets**

The Company identifies assets to be impaired based on cash generating unit concept at the year end in terms of paragraphs 5 to 13 of the Accounting Standard -28 issued by the Institute of Chartered Accountant of India for the purpose of arriving at Impairment loss there on, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss when crystallizes is charged against the revenue of the year.

9. **Provisions and Contingent Liabilities**

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

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

10. **Miscellaneous Expenditure**

A) **Share Issue Expenses And Expenses On Increasing Authorised Share Capital**

Share Issue expenses and expenses on increasing authorised Share Capital are amortised over a period of ten years.

b) **Club Membership Fees**

Club Membership Fees is amortised over period of ten years.

c) **Deferred Revenue Expenditure**

During the period from 01.01.2003 till 31.12.2004, all the revenue expenditure incurred as reduced by the income earned, if any, has been accumulated under the above head. However, the above policy has been changed with effect from 01.04.2004, from which date, the same has been charged to the revenue.

11. **Retirement Benefits / Staff Benefits**

i. Leave encashment benefit is accounted on accrual basis as per the Company's rules.

ii. Gratuity Liability is considered in the accounts on the basis of Actuarial Valuation.

iii. In respect of other retirement benefits viz., Provident Fund, Family Pension Fund and Employee's Deposit Linked Insurance the same are charged on accrual basis.

12. **Revenue Recognition**

Purchases and sales are recognised in the accounts based on the actual movement of goods.

13. **Purchases, sales and Services**

Purchases and sales are shown inclusive of Value added Tax wherever applicable. Services rendered are exclusive of Service Tax.

14. **Taxation**

a) Current tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and provisions.

b) Deferred tax is recognized on timing differences, being the difference between taxable income accounting income that originate in one period and are capable of reversal on one or more subsequent periods and is measured using tax rates that have been enacted or substantively enacted as on the Balance Sheet date. In respect of unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax / liabilities are reviewed on yearly basis to reassess their realization or otherwise.

**Significant Notes to Accounts covering Restated Financial Statements given in the Financial Information of the Company****A) NOTES TO ACCOUNTS - ADJUSTED IN THE RESTATED FINANCIAL STATEMENTS****I) CHANGE IN ACCOUNTING POLICIES**

1. With effect from 01.04.2005, the Company has changed its accounting policy in respect of interest on unsecured loans borrowed for the purpose of long term investment in a subsidiary company (for part of the year), by charging the same to the revenue, in line with generally followed accounting practices. The Company had been capitalising the same under the head Investments from 01.10.2000 to 31.03.2005. The opening balance of Investments accordingly included Rs. 4372.51 Lakhs of such interest, which was transferred to the debit of Profit and Loss Account and adjusted under the head "Profit on sale of Investment".

The current year's interest amounting to Rs. 677.46 Lakhs on the Unsecured loans has also been accordingly debited to the Profit and Loss Account.

Had the change in accounting policy been not made as above, the Profit for the year as well as the book value of the Investments would have been higher by Rs. 5,049.97 Lakhs each (Previous Year – Nil).

Because of the above, the Profit for the year ended on 31-03-2006 was understated by Rs. 4,372.51 Lakhs.

2. The Company has adopted an accounting practice whereby all the revenue expenditure incurred by the Company as reduced by the income earned if any, from 01.04.2003 (effective from 01.01.2003) is accumulated under the head "Deferred Revenue Expenditure" during the implementation of the power project undertaken by its wholly owned subsidiary company. The Expenditure so accumulated will be charged/ amortised to revenue upon commencement of commercial operations by the said subsidiary company. As a consequence of the above, losses for the year were understated to the extent of Rs.19.29 Lakhs (net) (Previous year- Nil) and Deferred Revenue Expenditure was overstated to the same extent.

In view of the above deferral of expenditure incurred during the year by the Company, no expenditure/ income has been charged to revenue in the Profit and Loss Account prepared by the Company for the current year.

Because of the above, the Profit for the 15 Months period ended on 31-03-2004 was overstated by Rs. 19.29 Lakhs.

**II) QUALIFICATIONS IN THE AUDITORS' REPORTS**

1. During the year, the Company has continued with its accounting policy in respect of interest on unsecured loans borrowed for the purpose of long term investment in a wholly owned subsidiary company, by capitalising the same. Capitalization of interest as above is not in line with the recommendations of the mandatory Accounting Standard – 16, Borrowing Costs issued by the Institute of Chartered Accountants of India. As a consequence of the above policy, the accumulated carrying amount of the Investments for the year stands overstated by Rs.1327.16 Lakhs (Previous Year – Rs.2360.03 Lakhs) and the losses are understated by the same extent. The aggregate overstatement in Investments due to capitalization of interest as above amounts to Rs. 4372.51 Lakhs till the close of the current year.

Because of the above, the Profit for the year ended on 31-03-2005 was understated by Rs. 1,327.16 Lakhs.

2. There has been limited progress during the year in respect of an ongoing project, on which, Pre-operative expenses of Rs. 22.07 Lakhs (Previous Year Rs. 21.52 Lakhs) were incurred. However, the management is hopeful of completion of the same in near future.

Because of the above, the Profit for the year ended on 31-03-2005 was understated by Rs. 21.53 Lakhs.

3. During the year, the Company has continued with its accounting policy in respect of interest on unsecured loans borrowed for the purpose of long term investment in a wholly owned subsidiary company, by capitalising the same. Capitalization of interest as above is not in line with the recommendations of the mandatory Accounting Standard – 16, Borrowing Costs issued by the Institute of Chartered Accountants of India. As a consequence of the above policy, the accumulated carrying amount of the Investments stands overstated by Rs.2360.03 Lakhs (Previous year- Rs.3325.37 Lakhs) and the losses are understated by the same extent.

Because of the above, the Profit for the 15 Months period ended on 31-03-2004 was overstated by Rs. 2,374.30 Lakhs.

4. Loans and Advances include Share Application money given by the Company pending allotment of shares amounting to Rs. 36.00 Lakhs (Previous Year- 36.00 Lakhs). However, no provision towards the same has been made in the accounts, since the management is hopeful of their full recovery.

Because of the above, the Profit for the year ended on 31-03-2005 was understated by Rs. 36.00 Lakhs.

5. Income-tax on the income in respect of the financial years ended on 31<sup>st</sup> March 2001, 31<sup>st</sup> March 2002 and 31<sup>st</sup> March 2003 aggregating to Rs. 63.00Lakhs (Previous year Rs.62.00 Lakhs) remains un-provided in the accounts.

Because of the above, the Profit for the 15 Months period ended on 31-03-2004 was overstated by Rs. 1.00 Lakhs.

6. The Company has not consolidated the accounts of its subsidiary in non-compliance with the recommendations of the Accounting Standard –21, Consolidated Financial Statements, issued by the Institute of Chartered Accountant of India.

Same are now consolidated for the sole purpose of this report.

7. During the year, the Company has continued with its accounting policy in respect of interest on unsecured loans borrowed for the purpose of long term investment in a wholly owned subsidiary company, by capitalizing the same. Capitalization of interest as above is not in line with the recommendations of the mandatory Accounting Standard – 16, issued by The Institute of Chartered Accountants of India, Borrowing Costs. As a consequence of the above policy, the accumulated carrying amount of Investments stands over stated by Rs. 3325.37 Lakhs as at the close of the year (Previous Year – Rs. 1786.05 Lakhs) and the losses were understated to the same extent.

Because of the above, the Profit for the year ended on 31-12-2002 was overstated by Rs. 3,325.37 Lakhs.

8. Loans and Advances include Share application money given by the Company pending allotment of shares amounting to Rs. 36.00 Lakhs (Previous Year- 36.00 Lakhs). However, no

provision against the same has been made in the accounts, since the management is hopeful of their full recovery/performance.

Because of the above, the Profit for the year ended on 31-12-2002 was overstated by Rs. 36.00 Lakhs.

9. No progress has not been made during the year in respect of the ongoing project, on which, Pre-operative expenses of Rs. 21.52 Lakhs (Previous Year Rs. 21.52 Lakhs) were incurred. However, the management is hopeful of completion of the same in near future.

Because of the above, the Profit for the year ended on 31-12-2002 was overstated by Rs. 21.53 Lakhs.

10. Income-tax on the income in respect of Income tax for the year ended on 31<sup>st</sup> March 2001 and 31<sup>st</sup> March 2002 amounting to Rs. 62.00 Lakhs (Previous Year – Rs. 50.00 Lakhs) remains unprovided in the accounts

Because of the above, the Profit for the year ended on 31-12-2002 was overstated by Rs. 62.00 Lakhs.

11. The Company has not consolidated the accounts of its subsidiary in non-compliance with the recommendations of the Accounting Standard – 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

Same are now consolidated for the sole purpose of this report.

## **B) NOTES TO ACCOUNTS - NOT ADJUSTED IN THE RESTATED FINANCIAL STATEMENTS**

### **I) Period ended 31-01-2008**

1. Contingent Liabilities not provided for in respect of the following:
- a) Corporate guarantees given to the Banks/Financial Institutions against credit facilities extended to another company – Rs. 41.00 Crores (Previous Year Rs. 41.00 Crores).
  - b) Income Tax demand for earlier years appealed against by the Company (net) Rs. 2.09 Crores (net) (Previous Year - Rs. 2.89 Crores).
- 2 Sundry Debtors includes Rs. 20,463.08 Lacs (Previous year Rs. 20,383.16 Lacs) on account of strategic sale of 13.64 Crore Equity Shares of Shree Maheshwar Hydel Power Corporation Limited. As per the agreement of sale of these shares entered into between the Company and SKG Power Ventures Pvt. Ltd, (the buyer company), the said amount was payable on or before 31<sup>st</sup> March 2008. The buyer company, vide letter dated 18<sup>th</sup> December, 2007, informed the Company that in its Board Meeting held on December 18<sup>th</sup>, 2007 has given the consent for the merger of the buyer company with the Company and in view of the proposed merger, requested the Company to defer the recovery of Rs. 20,463.08 Lacs till March 31<sup>st</sup>, 2009. This request was placed and approved in the Board Meeting of the Company held on 19<sup>th</sup> December 2007 wherein it was resolved that the buyer company would be merged into the Company and the further action, including the drafting of the merger scheme and the valuation of the buyer company have been entrusted. In view of the proposed merger and as requested by the buyer company, it was also agreed to defer the recovery of Rs. 20,463.08 Lacs till March 31<sup>st</sup>, 2009 and the same be knocked off/adjusted in the proposed merger scheme.

As on the date of approval of these accounts, the valuation of the buyer company's shares has not yet been carried out and also the Scheme of the proposed merger is yet to be approved by the shareholders of both the companies

- 3 The Company had originally accepted a One Time Settlement (OTS) from Madhya Pradesh State Industrial Development Corporation Ltd. (MPSIDC), which has been communicated vide letter dated 03-07-2004. The Company also made a payment of Rs. 2209.76 Lacs till 11-07-2006. The Company could not service the further installments due to delay in its equity raising program through Rights Issue. Subsequently, the Madhya Pradesh Government (MP Govt.) communicated a revised OTS policy vide communication bearing ref. no: F/06-09/04/B-Eleven dated 16-05-2007, which describes the revised terms of OTS to be intimated to the borrowers by the MPSIDC

The Company claims that vide Clause 3 of the said original OTS, which clearly states that in case of delay or default in the payment of installments or non-compliance of any other condition of the OTS, the settlement will stand cancelled. Accordingly, the Company has written back an amount of Rs. 1568.08 Lacs till 31-01-2008 pro – rata out of a total of Rs. 1881.69 Lacs (as revised). Also, the Company has vide a letter dated 06-06-2007 approached MPSIDC for making the revised OTS scheme applicable to it based on the above communication bearing ref. no: F/06-09/04/B-Eleven dated 16-05-2007. The MPSIDC, vide its letter dated 19-06-2007 has stated its position saying that the revised policy for OTS Scheme as communicated by the MP Govt. was not applicable to the Company, thus implying that the original OTS between the MPSIDC and the Company has not been cancelled. The Company has represented to MPSIDC vide letter dated 28-06-2007 requesting for application of the said OTS based on Policy dated 16-05-2007. Vide letter dated 22-11-2007, the MPSIDC has conveyed to the Company that the old OTS scheme applies to the Company and not the new scheme.

Subsequently, to attain clarity on the issue, the Company has obtained a Legal opinion on 21.12.2007 in the matter from Justice J G Chitre, a former Judge of Bombay and Madhya Pradesh High Courts, according to which, the Company is entitled to get the benefit of the Revised Policy of the MP Govt. and the MPSIDC, by not accepting the Company's request, will infringe the Company's fundamental right to get equal treatment guaranteed under Article 14 of Indian Constitution.

The Company, on careful consideration of aforesaid position vis-à-vis on the basis of (i) the legal opinion hereinabove stated (ii) Clause 3. of the original OTS Agreement dated 21-09-2005 which states that in case of any delay in the payment of any installment or interest and non-compliance of any other condition by the borrower as mentioned in the said agreement, the settlement would stand cancelled and (iii) its belief on the basis of its efforts being taken in the matter, is of the opinion that the policy enunciated vide in the communication dated 16-05-2007 will be made applicable to the Company and the Company will be entitled to the benefits of the revised OTS Policy as per the said communication of the MP Govt. and accordingly, has communicated to the MPSIDC vide letter dated 18-01-2008 that the original OTS stands cancelled.

As per the revised policy as communicated by the Govt. of MP dated 16-05-2007, simple interest shall be calculated at the prevailing rate with effect from the date of payment of The Inter Corporate Deposit upto the date of default (i. e. 30-06-2002) or upto 31-03-2001, whichever is later, and the compound and penal interest shall be relaxed. However, the compound and penal interest which has been paid before 31-03-2001 shall not be refunded by the MPSIDC to the Company.

The total liability as on 31-03-2007 as per the above working amounts to Rs. 5028.03 Lacs (Principal amount Rs. 4800.00 Lacs and Simple interest liability upto 31-03-2007 Rs. 228.03



Lacs). However, before the settlement scheme the total liability as on 31-03-2007 amounted to Rs. 6909.72 Lacs. Hence the waiver for the Financial Year 2007-2008 works out Rs. 1881.69 Lacs and the waiver claimed upto 31-01-2008 is Rs. 1568.08 Lacs, pro – rata basis.

In view of the above, the Company has written back in its books Rs. 1568.08 Lacs for the period ended 31-01-2008 representing pro-rata amount out of Rs. 1881.69 Lacs as stated above, as liability no longer payable and the same was accordingly accounted for in its books. However the Company does not expect any such additional liability payable to MPSIDC as a consequence of the above write back in its books or on the cancellation of the original OTS agreement, as such the same is therefore not ascertained.

It had also, however, been decided by the management of the Company that in case the revised OTS Policy is not accepted by the MP Government by 31-03-2008, the Company would revert back to the original OTS provisioned in its books for the year ended on that date i. e. (31-03-2008) and the amount written back of Rs 1568.08 Lacs for the period ended 31-01-2008 referred above would be reversed in the accounts for the year ended 31.03.2008 along with the additional written back amount attributed to the remaining period after 31.01.2008 and the appropriate liability will be reinstated in respect of the MPSIDC.

Though no intimation in respect of the above has been received by the Company till the date of approval of these accounts as to the acceptance or otherwise of the revised OTS policy by the MP Government, no accounting effect of such reversal referred above has been given since the accounts are for the interim period, (i.e., till 31.01.2008) as against the pre-decided date of reversal, if applicable, which was 31.03.2008 and particularly in view of the fact that, subsequently there has been positive developments from MP Govt. towards settlement of dues as per the revised OTS Policy as desired by the Company.

4. Prior Period Adjustments represents interest liability pertaining to earlier years in respect of a Financial Institutions Rs. 65.97 Lacs.
- 5 a. The Board has vide a resolution passed dated 25.08.2007 transferred certain preoperative expenses of Rs. 31.54 Lacs pertaining to real estate, mining, and port infrastructure to an associate Company.
- b. Also during the period, Rs. 74.60 Lacs (Previous year Rs. 65.07 Lacs ) was incurred on various Power /other projects which are under implementation in the states of Andhra Pradesh, Karnataka, Delhi, Madhya Pradesh and Maharashtra. All such expenditure is accumulated under the Pre-operative Expenses by the Company, to be capitalized upon completion of the respective projects.
6. Balances as at the close of the period in respect of Unsecured Loans, Loans and Advances and Current Liabilities are subject to confirmation and reconciliation with the respective parties /concerns. Consequential adjustments, if any, in the Company's books will be made in the year of such confirmation/reconciliation.
7. Cash Credit facility is secured by exclusive charge over all the current assets of the Company, pledge of 40.63 Lacs Equity shares of the Company by an associate Company and by a Corporate guarantee of the said associate Company in favour of the bank.
8. 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.



9. 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.
10. The Company has acquired 100 % shareholding of Ennertech Biofuels Limited (formerly known as Ennertech Biofuels Pvt. Ltd.) which has become a wholly owned subsidiary of the Company with effect from 17.04.2007. As per the recommendation of Accounting Standard 21, the Company has consolidated its financial statements after inclusion of the accounts of the said subsidiary as on 31.01.2008.
11. 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 Lacs)

Name of the Body Corporate	Head	Current Period	Previous Year
SKG Power Ventures Pvt. Ltd.	Sundry Debtors	20,463.08	20,464.07
Shree Maheshwar Hydel Power Corporation Ltd. (SMHPCL) (Net)	Current Liabilities	(994.40)	(980.40)
MW Infraholdings Pvt. Ltd.	Current Liabilities	(72.75)	(71.41)
Hindon River Mills Ltd.	Sundry Debtors and Loans & Advances	675.30	673.44
Ennertech Biofuels Ltd. (formerly known as Ennertech Biofuels Pvt. Ltd.)	Loans & Advances	26.34	0.14
S Kumars Retailers Services Pvt. Ltd.	Loans & Advances	2000.00	2000.00
<b>Total</b>		<b>22,097.57</b>	<b>22,085.84</b>

12. Computation of basic and diluted Earnings per share is as follows:

Description	As on 31.01.2008 Amount Rs.)	As on 31.03.2007 Amount (Rs.)
Profit after tax (Rs.)	9,61,08,817	12,81,95,336
No of Equity Shares (Nos. in Lacs)	510.00	510.00
Nominal value per Share (Rs.)	10.00	10.00
Earning per share – Basic and diluted (Rs.)	1.88	2.51
Earning per share – Diluted	0.94	-

13. a) Provision for Current tax comprises of tax calculated as per provisions of the Section 115 JB of the Income Tax Act, 1961.
- b) Deferred Tax calculation is as under:

Description	As on 31.01.2008 Amount (Rs.)	As on 31.03.2007 Amount (Rs.)
Opening Balance in Deferred Tax Liability Account	81,765	85,325
Add / (less)	1,76,886	(3,560)
Deferred Tax Liability / (Asset) for the		

year/period due to timing difference		
Closing Balance	2,58,651	81,765

- c) Tax rate considered for the above purposes is 33.99%.
- d) Considering the prudence aspect, no deferred tax asset has been recognized on Brought forward business losses as per the Income Tax Act, 1961.
14. There are no dues to Micro, small and Medium Enterprises in the current period as well as in the previous Financial Year.

15. **Related Party Disclosures**

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

**i. Associates**

- S. Kumars Limited
- MW Infraholdings Pvt. Ltd. (formerly known as S. Kumars Power Gen & Dev. Co. Pvt. Ltd.)
- Unitex Designs Limited
- SKG Power Ventures Pvt. Ltd.
- Shree Maheshwar Hydel Power Corporation Ltd.
- SKM Fabrics Private Ltd.
- SKM Fabrics ( Amana ) Limited
- Hindon River Mills Ltd.
- Manors Textiles Ltd.
- Manmade Fabrics Sales & Services Pvt. Ltd.
- Raj Infin Private Limited.
- Girija Holding Pvt. Ltd.
- MW Corp Pvt. Ltd. (Formerly known as MW Holdings Pvt. Ltd.)

**ii. Subsidiary**

- Ennertech Biofuels Ltd. (formerly known as Ennertech Biofuels Pvt. Ltd.)

**iii Key Management Personnel**

- Shri Mukul S. Kasliwal - Chairman
- Shri V. K. Jain – Managing Director

(B) Related party transactions:

(Rs. In Lacs)			
Nature of transaction	Associates	Subsidiary	Key Management personnel
Sale of Investments	Nil (4566.21)	Nil (Nil)	Nil (Nil)
Purchase of Investments	0.39 (Nil )	Nil (Nil )	Nil (Nil )
Project Advisory Services Rendered	Nil (600.00)	Nil (Nil)	Nil (Nil)
Unsecured Loans Repaid	155.50 (Nil)	Nil (Nil)	Nil (Nil)
Unsecured Loans Received	2563.00 (2800.00)	Nil (Nil)	Nil (Nil)
Current Liabilities paid	174.09 (159.11)	Nil (Nil)	Nil (Nil)
Current Liabilities Received	174.83 (Nil)	Nil (Nil)	Nil (Nil)
Share Application Money received	5207.50 (1769.50)	Nil (Nil)	Nil (Nil)

Advances Recovered	41.56 (14.01)	27.20 (0.14)	Nil (Nil)
Advances Received	39.53 (Nil)	1.00 (56.59)	Nil (Nil)
Remuneration Given	Nil (Nil)	Nil (Nil)	26.98 (31.85)
Deposit Given (Office)	Nil (2,000.00)	Nil (Nil)	Nil (Nil)
Closing Balance (Dr)	23,138.85 (23,070.62)	26.34 (0.14)	Nil (Nil)
Closing Balance (Cr)	10,980.25 (8,571.41)	Nil (Nil)	Nil (0.72)

**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.

**16. Payment to Auditors comprises of the following:**

Particulars	(Amount in Rs.)	
	As on 31.01.2008	As on 31.03.2007
Statutory Audit Fees	93,500	1,12,240
Tax Audit Fees	23,300	28,060
Certification Charges	6,48,300	1,01,016
Other Capacity	46,700	56,120
<b>Total</b>	<b>8,11,800</b>	<b>2,97,436</b>

**17. Segment Reporting**
**Primary Segment reporting (by business segment)**

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organizational structure as well as the differential risk and returns of these segments. Details of products/services included in each of the segments are as under:-

**Energy Services :** EPC / Supply to Energy Sector

**Infrastructure Projects :** Divestment in Power Project

**Commodity:** Steel and Iron ore

**Information about Business Segments:**

April , 07 to January, 08	(Rs. in Lacs)				
	Energy Services	Infrastructure Projects	Commodities	Others	Total
<b>Revenue</b>					
External Sales	1570.09	-	16101.41	90.25	17761.75
Add: Inter Segment Sales	-	-	-	-	-
<b>Total Sales</b>	1570.09	-	16101.41	90.25	17761.75
Less: Inter Segment Sales	-	-	-	-	-
<b>Total Sales</b>	1570.09	-	16101.41	90.25	17761.75
<b>Results</b>					
Segment Results before Interest & Finance Cost	<b>1568.22</b>	-	<b>(544.71)</b>	-	<b>1023.51**</b>

Interest & Finance Cost	-	-	-	-	153.55
<b>Profit from Ordinary Activities (PBT)</b>	-	-	-	-	<b>1177.06</b>

2006-07	Energy Services	Infrastructure Projects	Commodities	Others	Total
<b>Revenue</b>					
External Sales	17549.54	4566.15	47.30	600.00	22762.99
Add: Inter Segment Sales	-	-	-	-	-
<b>Total Sales</b>	<b>17549.54</b>	<b>4566.15</b>	<b>47.30</b>	<b>600.00</b>	<b>22762.99</b>
Less: Inter Segment Sales	-	-	-	-	-
<b>Total Sales</b>	<b>17549.54</b>	<b>4566.15</b>	<b>47.30</b>	<b>600.00</b>	<b>22762.99*</b>
<b>Results</b>					
Segment Results before Interest & Finance Cost	83.55	1522.07	1.00	600.00	2212.50**
Interest & Finance Cost	-	-	-	-	474.28
<b>Profit from Ordinary Activities (PBT)</b>	-	-	-	-	<b>1738.22</b>

**Notes :**

\* Shown at gross whereas in the Profit and loss account the same was represented at Net of Cost and Sales.

\*\* Shown at gross before allocation of common expenditure which are unallocable.

Figures representing Segment-wise assets and liabilities have not been reported since they are unallocable.

18. Director's Remuneration during the period comprises of payments to the Managing Director amounting to Rs. 26.98 Lacs (Previous Year – 31.85 Lacs).
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 to Energy Sector: **Fuel Oil**

	Current Period		Previous Year	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Opening Stock	Nil	Nil	Nil	Nil
Purchases	-	1,87,036	77,347 MT	1752564824
Sales	-	2,01,000	77,347 MT	1754954282
Closing Stock	Nil	Nil	Nil	Nil

- b) Quantitative Details of Goods Supplied traded: **Steel and Iron Ore**

	Current Period		Previous Year	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Opening Stock	Nil	Nil	Nil	Nil

Purchase	72,818.89 MT	1,60,52,71,179	1191.08 MT	48,25,343
Sales	72,818.89 MT	1,60,52,71,179	1191.08 MT	49,19,031
Closing Stock	Nil	Nil	Nil	Nil

		Current Period	Previous Year
c)	Earnings in Foreign Currency	Nil	Rs. 175,49,54,282
d)	FOB Value of Goods exported	Nil	Rs. 175,49,54,282
e)	CIF Value of goods imported	Nil	Rs. 87,69,71,944
f)	Expenditure in foreign currency	Rs.10,73,250	Rs.18,42,165

## **II) EXTRA ORDINARY ITEMS & PRIOR PERIOD ADJUSTMENTS**

1. Sundry Debtors includes Rs. 20,463.08 Lacs (Previous year Rs. 20,383.16 Lacs) on account of strategic sale of 13.64 Crore Equity Shares of Shree Maheshwar Hydel Power Corporation Limited. As per the agreement of sale of these shares entered into between the Company and SKG Power Ventures Pvt. Ltd, (the buyer company), the said amount was payable on or before 31<sup>st</sup> March 2008. The buyer company, vide letter dated 18<sup>th</sup> December, 2007, informed the Company that in its Board Meeting held on December 18<sup>th</sup>, 2007 has given the consent for the merger of the buyer company with the Company and in view of the proposed merger, requested the Company to defer the recovery of Rs. 20,463.08 Lacs till March 31<sup>st</sup>, 2009. This request was placed and approved in the Board Meeting of the Company held on 19<sup>th</sup> December 2007 wherein it was resolved that the buyer company would be merged into the Company and the further action, including the drafting of the merger scheme and the valuation of the buyer company have been entrusted. In view of the proposed merger and as requested by the buyer company, it was also agreed to defer the recovery of Rs. 20,463.08 Lacs till March 31<sup>st</sup>, 2009 and the same be knocked off/adjusted in the proposed merger scheme.

As on the date of approval of these accounts, the valuation of the buyer company's shares has not yet been carried out and also the Scheme of the proposed merger is yet to be approved by the shareholders of both the companies.

2. (i) Further to the sale in previous year, the Company has disposed off its remaining investments lying as opening balance as on 01.04.2006 in Shree Maheshwar Hydel Power Corporation Limited, representing 304.41 Lakhs (Previous year 1,060.00 Lakhs) Equity shares of Rs.10 each fully paid costing Rs. 3,044.10 Lakhs (Previous year Rs. 10,607.50 Lakhs), in favour of SKG Power Ventures Pvt. Ltd., an associate of the Company as per the definition of Accounting Standard-18. The consideration for the shares so transferred is based on a Valuation Report obtained by the Company in this regard. The surplus arising therefrom amounting to Rs. 1,522.07 Lakhs [Previous Year Rs. 5,289.16 Lakhs] is taken to the Profit and Loss Account under "Profit on Sale of Investment."
- (ii) Sundry Debtors includes Rs. 20,383.16 Lakhs (Previous year Rs. 15,896.66 Lakhs) on account of strategic sale of 13.64 Crores (Previous year 10.60 Crores) Equity Shares of Shree Maheshwar Hydel Power Corporation Limited. As per the agreement of sale of these shares entered into between the Company and M/s SKG Power Ventures Pvt. Ltd, (the buyer), the

- said amount becomes payable as per the stipulation of payment by the buyer on or before 31<sup>st</sup> March 2008. The management is hopeful of recovering the same.
3. The Company has de-invested a portion of its investments in its subsidiary company during the year, to the extent of 78% representing 10.60 Crores Equity shares of Rs.10 each fully paid of the said subsidiary costing Rs. 10,607.50 Lakhs, in favour of SKG Power Venture Pvt. Ltd., an associate of the Company as per the definition of Accounting Standard-18. The consideration for the shares so transferred was based on a Valuation Report obtained by the Company in this regard. The surplus arising there from amounting to Rs. 5,289.16 Lakhs was taken to the Profit and Loss Account under "Profit on Sale of Investment."
  4. The Company has given non-disposal undertakings in respect of its Investments in a hitherto subsidiary company to Financial Institutions and banks till the repayment of loans/settlement of credit facilities granted by them to M/s. Shree Maheshwar Hydel Power Corporation Limited. The transfer of 10.60 Crores shares of Rs. 10 each made during the year was approved by lead Financial Institution M/s. Power Finance Corporation Ltd., vide its letter dated 24<sup>th</sup> July 2006 subject to certain documentary compliances and other lenders' consent for the same. The Company is in the process of complying with the same.
  5. The Company has entered into a One Time Settlement (OTS) with one of its lenders, M/s. MPSIDC vide letter dated 3<sup>rd</sup> July 2004, as per the terms and conditions of which, as mutually agreed upon between the parties concerned, the Company would stand to gain 3,261.45 Lakhs in interest (Net, after consideration of additional interest of 8 percent payable from 3<sup>rd</sup> July 2004 being the date of settlement till the end of the year, on the settlement amount), when compared to the liability as represented by its books as on the date of the OTS.
- The amount of interest so saved as per the above OTS amounting to Rs. 3261.45 Lakhs has been taken to the credit of the Investments, in which account they have been capitalised till date.
- As a consequence, liability in respect of the above loan stands decreased and the Investments were reduced by the same extent of Rs. 3261.45 Lakhs (Previous Year – Nil). However, there is no impact on the Profit and Loss Account due to the above OTS

#### **Annexure - IV**

#### **Related Party Transactions**

Related Party disclosures have been set out herein below. The Related Party relationships have been identified the management in terms of "Accounting Standard – 18 Related Party Disclosures" issued by the Institute of Chartered Accountants of India and relied upon by the auditors.

#### **List of Related Parties**

Sr. No.	Particulars	Period ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period (15 months) ended 31.03.04	year ended 31.12.02
<b>A</b>	<b>Associates</b>						
1.	S. Kumars Limited	Yes	Yes	Yes	Yes	Yes	Yes
2.	MW Infraholdings Private Ltd. (formerly S. Kumars Power Gen & Dev. Co. Pvt. Ltd.)	Yes	Yes	Yes	Yes	Yes	Yes
3.	S. Kumars Nationwide Ltd.	No	No	No	Yes	Yes	Yes
4.	S. Kumars Retailer Services Pvt. Ltd.	Yes	Yes	Yes	Yes	Yes	Yes

5.	Landmarc Leisure Corp. Ltd.	No	No	No	Yes	Yes	Yes
6.	Unitex Designs Limited (Formerly Induj Infotech Limited)	Yes	Yes	Yes	Yes	Yes	Yes
7.	S. Kumars Online Ltd.	No	No	No	Yes	Yes	Yes
8.	Progard Tyres India Ltd.	No	No	No	No	Yes	Yes
9.	Shree Ram Mills Ltd.	No	No	No	Yes	Yes	Yes
10.	Vijay Infrastructures Technologies Pvt. Ltd.	No	No	No	Yes	Yes	Yes
11.	SKG Power Ventures Pvt. Ltd.	Yes	Yes	Yes	Yes	Yes	Yes
12.	SKM Fabrics (Amana) Ltd.	Yes	Yes	Yes	No	No	No
13.	SKM Fabrics Private Ltd.	Yes					
14.	Ennertech Biofuels Ltd.(formerly known as Ennertech Biofuels Pvt Ltd.)	No	Yes	Yes	Yes	Yes	Yes
15.	Shree Maheshwar Hydel Power Corporation Ltd	Yes	Yes	-	Yes	-	-
16.	Hindon River Mills Ltd.	Yes	Yes	-	-	-	-
17.	Manors Textiles Ltd.	Yes	Yes	-	-	-	-
18.	Manmade Fabrics Sales & Services Pvt. Ltd	Yes	Yes	-	-	-	-
19.	Girija Holding Pvt. Ltd.	Yes	Yes	-	-	-	
20.	Raj Infin Private Limited	Yes	Yes	Yes	No	No	No
21.	MW Corp Pvt Ltd. (Formely know as MW Holdings PvtI Ltd.)	Yes	Yes	-	-	-	-
B	<b>Key Managerial Personnel</b>						
1.	Shri Mukul S. Kasliwal, Chairman	Yes	Yes	Yes	Yes	No	No
2.	Shri V. K. Jain, Managing Director	Yes	Yes	Yes	Yes	Yes	Yes
C	<b>Subsidiary</b>						
	Ennertech Biofuels Ltd.(formerly known as Ennertech Biofuels Pvt Ltd.)	Yes	No	No	No	No	No

Note: Existence of relationship is indicated by "Yes" in the respective year.

#### Transactions with Related Parties

(Rs. In Lakhs)

Sr. No.	Particulars	Period ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period (15 months) ended 31.03.04	year ended 31.12.02
1.	<b>Services rendered</b>						
	Associates	-	600.00	-	-	1.80	1.80
	Subsidiary	-	-	-	-	26.27	26.27
2.	<b>Deposit (Office)</b>						
	Associates	-	2000.00				
3.	<b>Sale of Investments</b>						
	Associates	-	4566.21	15896.66	-	-	-
3a.	<b>Purchase of Investments</b>						
	Associates	0.39					-
4.	<b>Loans Received</b>						
	Associates	2563.00	2800.00	-	-	-	
5.	<b>Loans Repaid</b>						
	Associates	155.50	Nil	2523.40	95.04	1029.26	1029.26

6.	<b>Share Application Money received</b>						
	Associates	5207.50	1769.50	3930.50	-	-	-
7.	<b>Advances Recovered</b>						
	Associates	41.56	14.01	0.28	1489.71	4.53	4.53
	Subsidiary	27.20	-	-	-	-	-
8.	<b>Advances Received</b>						-
	Associates	39.53	56.59	128.30	-	-	-
	Subsidiary	1.00	-	-	-	-	-
9.	<b>Current Liabilities Received / (Paid)</b>						
	Associates	0.74	(159.11)	-	-	-	-
10.	<b>Directors Remuneration</b>						
	Key Managerial Personnel	26.98	31.85	-	-	2.70	3.60
11.	<b>Closing Balance (Debit)</b>						
	Associates	23138.85	23070.76	15896.66	89.17	1.04	1.04
	Subsidiary	26.34	-	-	-	-	-
12.	<b>Closing Balance (Credit)</b>						
	Associates	10980.25	8571.41	5290.69	4234.65	1377.12	1377.12
	Subsidiary	-	-	-	323.98	323.98	323.98

#### Annexure – V

##### Statement of Dividend Paid

Particulars	Period Ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period (15 months) ended 31.03.04	year ended 31.12.02
No. of Equity Shares	51000078	51000078	51000078	51000078	51000078	51000078
Face Value per Share	Rs. 10	Rs. 10	Rs. 10	Rs. 10	Rs. 10	Rs. 10
Paid Value per Share	Rs 10	Rs 10	Rs 10	Rs. 10	Rs. 10	Rs. 10
Rate of Dividend - Equity	Nil	Nil	Nil	Nil	Nil	Nil
Total Dividend – Equity	Nil	Nil	Nil	Nil	Nil	Nil
Tax on Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

#### Annexure – VI

##### Key Accounting Ratios

(Rs. In Lakhs) (except per share data)

	Particulars	Period ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	15 Months ended 31.03.04	Year ended 31.12.02
1	Net Profit After Tax - Restated	961.07	1,281.96	4,570.50	1324.60	(2,394.59)	(3,424.57)
2	Add / Less: Extra Ordinary Items as per original Financial Statement	-	(271.91)	-			-
3	Net Profit before Extra Ordinary Items – Restated	961.07	1,553.87	4,570.50	1,324.60	(2,394.59)	(3,424.57)
4	No. of Equity Shares Outstanding (No. in Lacs)	510.00	510.00	510.00	510.00	510.00	510.00
5	Weighted Avg. No. of Equity Shares Outstanding during the period (No. in Lacs)	510.00	510.00	510.00	510.00	510.00	510.00



6	Net Worth Restated	7,344.03	6,377.31	5,111.23	561.44	(766.29)	1,624.21
	<b>Accounting Ratios</b>						
	Earning Per Share	1.88	3.05	8.96	2.60	(4.70)	(6.71)
	Basic (3/4)	1.88	3.05	8.96	2.60	(4.70)	(6.71)
	Diluted (3/5)	1.88	-	-	-	-	-
	Net Asset Value Per Share (6/5)	14.40	12.50	10.02	1.10	(1.50)	3.18
	Return on Net Worth (3/6) (%)	13.09	24.37	89.42	235.93	(312.49)	(210.85)

\*\* Note: For the purpose of calculation of Diluted Earning per Share, number of equity shares outstanding during the period was 510.00 Lacs.

#### Annexure - VII

##### Capitalisation Statement

(Rs. In Lakhs)

Particulars	Pre Issue as at 31.01.08	Post Issue as adjusted for issue
<b>Loan Funds</b>		
Long Term Borrowing	5113.62	5113.62
Short Term Borrowing	1231.09	1231.09
Total Debt	6,344.71	6,344.71
<b>Shareholders' Funds</b>		
Share Capital	5100.01	10200.02
Reserves & Surplus	2282.47	2282.47*
Miscellaneous Expenditure to the extent not written off/adjusted	(38.45)	(38.45)
Total Shareholders' Funds	7,344.03	12,444.04
Long Term Debts/Equity	0.70	0.42
Total Debts/Equity	0.86	0.51

##### Notes:

\* Reserves & Surplus balances are subject to the Management's decision in respect of Security Premium to be fixed for the proposed Rights issue of shares.

#### Annexure - VIII

##### Statement of Other Income

(Rs. In Lakhs)

Particulars	Period Ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period (15 months) ended 31.03.04	For the year ended 31.12.02
<b>a) Recurring from Business Activities</b>						
Miscellaneous Receipts	0.85	0.01	0.03	2.82	-	4.44
Write Back of Liability due to One Time Settlement	1568.08	427.96	-	-	-	-
Consultancy Income	-	-	-	-	-	1.80
<b>Sub Total (a)</b>	<b>1568.93</b>	<b>427.97</b>	<b>0.03</b>	<b>2.82</b>	<b>-</b>	<b>6.24</b>
<b>b) Non recurring Business Activities</b>						
Interest on Income Tax Refund	-	-	13.53	-	-	-
<b>Sub Total (b)</b>	<b>-</b>	<b>-</b>	<b>13.53</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) Income from Financial Activities</b>						

Interest – Others	-	-	-	-	-	-
<b>Sub Total (c)</b>	-	-	-	-	-	-
<b>d) Income from Investing Activities</b>						
Interest on Fixed Deposits	89.40	2.86	0.65	-	-	4.28
Dividend	-	-	-	-	-	0.10
<b>Sub Total (d)</b>	<b>89.40</b>	<b>2.86</b>	<b>0.65</b>	<b>-</b>	<b>-</b>	<b>4.38</b>
<b>Total (a+b+c+d)</b>	<b>1658.33</b>	<b>430.83</b>	<b>14.21</b>	<b>2.82</b>	<b>-</b>	<b>10.62</b>

#### Annexure - IX

#### Tax Shelter Statement

(Rs. In Lakhs)

Particulars	Period Ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period (15 months) ended 31.03.04	year ended 31.12.02
<b>A) Tax at Notional Rates</b>						
<b>1) Profit Before Tax Restated</b>	<b>1107.13</b>	<b>1445.37</b>	<b>4585.74</b>	<b>1324.63</b>	<b>(2393.46)</b>	<b>(3320.96)</b>
2) Tax rate including Surcharge & Education Cess	33.99	33.66	33.66	36.59	36.75	36.75
3) Tax at Notional rates	376.31	486.51	1543.56	484.68	NA	NA
<b>B) Adjustments</b>						
<b>1) Permanent Differences:</b>	-	-	-	-	-	-
<b>Total Permanent Differences</b>	-	-	-	-	-	-
<b>2) Timing Differences:</b>	5.21	0.11	13.97	0.09	Nil*	3.98
<b>Total Timing Differences</b>	5.21	0.11	13.97	0.09	Nil*	3.98
<b>Net Adjustments (1+2)</b>	5.21	0.11	13.97	0.09	Nil*	3.98
<b>C) Tax Savings on Net Adjustments</b>	1.77	0.04	4.70	0.03	-	1.46
<b>D) Total Current tax Provided</b>	140.00	170.00	19.00	-	-	-

#### Annexure – X

#### Statement of Unsecured Loans

(Rs. In Lakhs)

Sr. No.	Name of the Lender	Facility	Principal Outstanding as on 31.01.08	Principal Outstanding as on 31.03.07	Rate of Interest	Repayment Schedule & Terms
1.	Madhya Pradesh State Industrial Development Corporation Ltd. *	Corporate Deposit	5113.62	5527.53	8%	See Note 2 below
2.	Body Corporate (Interest Free)	Short Term Loan	68.09	2800.00	-	Payable on Demand
3.	Body Corporate **	Short Term Loan	1163.00	100.00	12%	As per demand for repayment from the lender
	<b>Total</b>		<b>6344.71</b>	<b>8427.53</b>		

#### Notes :

1. \* Partly secured by pledge of 100.00 Lakhs Equity Shares of Rs. 10 each of the Company held by an associate company.
2. In the matter of ongoing One Time Settlement (OTS) with the Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC), a communication dated 06<sup>th</sup> February 2007 was received by the Company from IDBI Ltd. about the proposed swapping of MPSIDC liability payable to IDBI Ltd. with the Company's dues. Pending finalization of terms and conditions between the parties concerned, the Company has made necessary provisions of interest on the balance unsettled as per the Original OTS terms.

3. \*\* Break up of Loans from Body Corporate

Name of lender	Principal outstanding as on 31.01.08	Rate of interest	Maturity date
O. P. Enterprises	300.00	12.00%	11 <sup>th</sup> March' 08
O. P. Enterprises	200.00	12.00%	11 <sup>th</sup> March' 08 (Further extended to 11 <sup>th</sup> September' 08)
Aapruti Finance Ltd.	50.00	16.50%	13 <sup>th</sup> Feb' 08 (Further extended to 10 <sup>th</sup> August' 08)
Sprite Investment Pvt. Ltd.	25.00	16.50%	19 <sup>th</sup> Feb' 08 (Further extended to 17 <sup>th</sup> August' 08)
Essar Investments Ltd.	100.00	12.00%	On demand
Apna Ghar Housing Dev. & Finance Ltd.	50.00	18.00%	28 <sup>th</sup> June' 08
Apna Ghar Housing Dev. & Finance Ltd.	50.00	17.00%	29 <sup>th</sup> March' 08 (Further extended to 25 <sup>th</sup> September' 08)
Apna Ghar Housing Dev. & Finance Ltd.	20.00	17.00%	7 <sup>th</sup> April' 08 (Further extended to 4 <sup>th</sup> October' 08)
Apna Ghar Housing Dev. & Finance Ltd.	20.00	17.00%	9 <sup>th</sup> April' 08 (Further extended to 6 <sup>th</sup> October' 08)
Apna Ghar Housing Dev. & Finance Ltd.	30.00	17.00%	14 <sup>th</sup> April' 08 (Further extended to 11 <sup>th</sup> October' 08)
BKB Trading & Consultants Pvt. Ltd.	18.00	17.50%	29 <sup>th</sup> June' 08
Pam Glatt Pharma & Technologies Pvt. Ltd.	150.00	15.50%	26 <sup>th</sup> May' 08
Pam Glatt Pharma & Technologies Pvt. Ltd.	50.00	15.75%	15 <sup>th</sup> July' 08
Spectrum Impex Pvt. Ltd.	50.00	16.50%	13 <sup>th</sup> April' 08 (Further extended to 10 <sup>th</sup> October' 08)
Veer Mercantile Pvt. Ltd.	50.00	17.50%	7 <sup>th</sup> July' 08

**Annexure - XI**

**Statement of Secured Loans**

(Rs. In Lakhs)

Sr. No.	Name of the Lender	Facility	Principal Outstanding as on 31.01.08	Principal Outstanding as on 31.03.07	Rate of Interest	Repayment Schedule	Security
1.	ICICI Bank Ltd. (Honda Civic)	Vehicle Loan	9.28	-	11.99%	60 Equal Monthly Installments	Note-1
2.	ICICI Bank Ltd.	Vehicle	2.24	4.10	8.75%	60 Equal Monthly	Note-1

		Loan				Installments	
3	ICICI Bank Ltd.	Vehicle Loan	4.22	-	11.78%	60 Equal Monthly Installments	Note-1
4	Bank Overdraft- Yes Bank Ltd.	Cash Credit	71.59	-	15.50%	On Demand	Note-2
	<b>Total</b>		<b>87.33</b>	<b>4.10</b>			

**Note:**

- 1) Secured by way of hypothecation of financed assets.
- 2) Cash Credit and Bank Guarantee facilities are secured by exclusive charge over all the current assets of the Company, pledge of 40.63 Lacs Equity shares of the Company by an associate company and by a Corporate guarantee of the said associate company in favour of the Bank

**Annexure XII**

**Statement of Contingent Liabilities**

(Rs. In Lakhs)

Sr. No.	Particulars	Period ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period (15 months) ended 31.03.04	Year ended 31.12.02
1.	Corporate guarantees given to the Bank/Financial Institutions against credit facilities extended to a Company which was a subsidiary only for a part of the year	4100.00	4100.00	4100.00	29418.00	25186.00	27612.00
2.	Income Tax demand appealed against by the Company	209.00	289.00	665.00	391.00	318.00	-
3.	Amount of interest liability /penalty, if any, on non/delayed repayment of Unsecured Loans from FIs/statutory dues	-	-	-	-	Amount unascertainable	Amount unascertainable

**FINANCIAL INFORMATION AS REQUIRED UNDER CLAUSE 6.10.2.4 & 6.10.2.5 OF SEBI  
(DIP) GUIDELINES, 2000**

To,  
The Board of Directors,  
PSC Engineers Pvt. Ltd.,  
35 – A, Hazra Road, 2<sup>nd</sup> Floor,  
Kolkata – 700 029

Dear Sirs,

We have examined the financial statements of **M/s PSC Engineers Pvt. Ltd.** for the financial years ended 31<sup>ST</sup> March 2007, 31<sup>ST</sup> March 2006, 31<sup>ST</sup> March 2005, 31<sup>ST</sup> March 2004, and 31<sup>ST</sup> March 2003. These financial statements have not been audited by us. The financial statements enclosed with this report have been presented in accordance with the format prescribed under Schedule VI of the Companies Act 1956 (Annexure I).

As required by clause 6.10.2.5 of SEBI (DIP) Guidelines, 2000 issued by the Securities and Exchange Board of India ('SEBI'), we have examined the financial information contained in Annexure attached to this report which is proposed to be incorporated in the Offer Document of **ENTEGRA LTD** ('The Company') in connection with its proposed right issue of equity shares of Rs. 10/- each, at such premium, as may be decided by the Board of Directors.

Clause 6.10.2.5 of the SEBI (DIP) Guidelines, *inter-alia*, require that if the proceeds or any part of the proceeds of the issue of shares are to be applied for the acquisition of shares in any other body corporate ('the subsidiary') and by reason of that acquisition, the body corporate will become a subsidiary of the issuer company then, a report made by accountants upon the profits and losses and assets and liabilities of the subsidiary for the preceding five years indicating how the profits or losses of the subsidiary would have concerned the members of the issuer company and what allowance would have fallen to be made and in relation to the assets and liabilities so dealt with for holders of other shares, if the issuer company had at all material times held the shares to be acquired.

We understand that a part of the proceeds of the proposed rights issue of the Company is proposed to be utilized for acquiring 100 % percent stake in **M/s PSC Engineers Pvt. Ltd.**, and hence no Profits / Losses or Assets / Liabilities would have fallen to be made in relation to the minority interest.

Based on our examination of the financial statements provided to us, of the Company, PSC Engineers Pvt. Ltd., we certify that the enclosed Financial Statements, as required under clause 6.10.2.5 of SEBI (DIP) Guidelines, 2000, have been drawn up following the Accounting Standards issued by the Institute of Chartered Accountants of India and the Financial Statements for the years ended on 31<sup>st</sup> March 2007, 31<sup>st</sup> March 2006, 31<sup>st</sup> March 2005, 31<sup>st</sup> March 2004, and 31<sup>st</sup> March 2003, have been presented in Annexure IA and IB of this report.

Thanking you,

For **Malpani & Associates**  
Chartered Accountants

**Shyam Malpani**  
Proprietor  
Membership No.- 34171

Place: Mumbai  
Date: 21/01/2008

**Statement of Assets & Liabilities**
**Annexure - IA**  
**(Rs. In Lacs)**

Particulars	As at				
	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
<b>Fixed Assets:</b>					
<b>Gross Block</b>	77.93	77.66	71.89	70.35	69.53
<b>Less: Depreciation</b>	47.72	41.84	46.88	42.29	37.38
<b>Net Block</b>	<b>30.21</b>	<b>35.82</b>	<b>25.01</b>	<b>28.06</b>	<b>32.15</b>
<b>Investments</b>	<b>3.45</b>	<b>3.45</b>	<b>3.45</b>	<b>3.45</b>	<b>5.19</b>
<b>Current Assets, Loan and Advances:</b>					
Inventories	134.41	9.72	217.92	56.65	7.55
Sundry Debtors	999.29	824.13	775.91	554.18	232.43
Cash and Bank Balances	419.58	383.63	325.02	276.57	155.03
Loans and Advances	103.51	154.01	177.16	221.44	139.18
<b>Add: Restated – Adjustment for Recoverable from Director</b>	0.99	0.55	0.54	0.00	0.58
Deferred Tax Assets	1.66	0.47	0.00	0.00	0.00
<b>Total Assets</b>	<b>1693.10</b>	<b>1411.78</b>	<b>1525.01</b>	<b>1140.35</b>	<b>57211</b>
<b>Liabilities and Provisions:</b>					
Secured Loans	128.28	98.45	114.15	150.28	146.54
Unsecured Loans	152.40	123.13	240.63	218.65	54.90
Deferred Tax Liability	0.00	0.00	1.88	0.0	0.00
Current Liabilities	1087.69	891.38	923.46	589.10	174.31
Provisions	66.82	64.66	36.18	19.73	43.22
<b>Total Liabilities</b>	<b>1435.19</b>	<b>1177.62</b>	<b>1316.30</b>	<b>977.76</b>	<b>418.97</b>
<b>Net Worth</b>	<b>257.91</b>	<b>234.16</b>	<b>208.71</b>	<b>162.59</b>	<b>153.14</b>
Represented by					
<b>Shareholders' Funds:</b>					
Share Capital	71.10	71.10	71.10	66.70	66.70
Reserves and Surplus	186.81	163.06	137.61	95.89	86.44
<b>Net Worth</b>	<b>257.91</b>	<b>234.16</b>	<b>208.71</b>	<b>162.59</b>	<b>153.14</b>

# Annexure – IB

## Statement of Profits & Loss

(Rs. in lacs)

Particulars	Year Ended				
	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
<b>Income</b>					
Sales	2,064.86	1,911.28	1,379.51	1,067.02	748.88
Interest	15.18	14.41	12.91	15.03	11.82
Other Income	4.93	115.11	93.22	2.99	4.09
<b>Total Income (A)</b>	<b>2,084.97</b>	<b>2,040.80</b>	<b>1,485.64</b>	<b>1,085.04</b>	<b>764.79</b>
<b>Expenditure</b>					
Cost of Good Sold	1,667.71	1,617.88	1,097.14	871.68	561.54
Administrative Selling and Other Expenses	312.48	318.37	290.97	163.33	153.39
<b>Restated</b> - Adjustment for expenses for Directors	(0.99)	(0.55)	(0.54)	-	(0.58)
Interest	35.95	41.61	51.98	25.84	29.32
Depreciation	6.23	5.18	4.59	5.40	6.73
Loss on sale of Fixed Assets / Investment	0.34	0.00	0.00	1.74	0.00
Preliminary Expenses Written off	0.00	000	0.00	0.00	0.00
<b>Total (B)</b>	<b>2,016.57</b>	<b>1,978.74</b>	<b>1,444.14</b>	<b>1,067.99</b>	<b>750.40</b>
<b>Profit before Extra Ordinary Items</b>	<b>68.40</b>	<b>62.06</b>	<b>41.50</b>	<b>17.05</b>	<b>14.39</b>
Less : Extra Ordinary Items	0.00	0.00	0.00	0.00	0.00
<b>Adjusted profit before tax</b>	<b>68.40</b>	<b>62.06</b>	<b>41.50</b>	<b>17.05</b>	<b>14.39</b>
<b>Provision for Taxation</b>					
Current Tax	21.24	20.25	15.50	6.26	5.50
Fringe Benefit Tax	1.37	1.25	0.00	0.00	0.00
Deferred Tax	0.00	0.00	1.88	0.00	0.00
Short Provision for tax in earlier Year now provided	3.86	0.53	0.00	0.76	0.00
Provision for Deferred Tax for earlier Year written back	0.00	(1.88)	0.00	0.00	0.00
<b>Restated</b> - Prior Period Adjustment	5.15	3.75	0.00	0.00	0.00
<b>Profit after Taxation</b>	<b>36.78</b>	<b>38.16</b>	<b>24.12</b>	<b>10.03</b>	<b>8.89</b>
Balance Brought Forward	44.91	69.46	95.89	85.86	77.55
<b>Profit available for appropriation</b>	<b>81.69</b>	<b>107.62</b>	<b>120.01</b>	<b>95.89</b>	<b>86.44</b>
<b>Appropriated as under :</b>					
General Reserve	50.00	50.00	50.00	0.00	0.00
Proposed Dividend	10.67	10.67	0.00	0.00	0.00
Tax on Proposed Dividend	1.81	1.49	0.00	0.00	0.00
Balance carried to Balance Sheet	19.21	45.46	70.01	95.89	86.44
<b>Total</b>	<b>81.69</b>	<b>107.62</b>	<b>120.01</b>	<b>95.89</b>	<b>86.44</b>

The details of the Statutory auditor of M/s. PSC Engineering Pvt. Limited, are as follows

**M. K. Kishorpuria & Co.,**  
**Chartered Accountant**  
 42/1, B. B. Ganguly Street,  
 Kolkata-700 012  
 Membership No.5115

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Management's Discussion and Analysis of Financial Position and Results of operations of Entegra Limited in accordance with unconsolidated Indian GAAP

#### Factors that may affect the results of the operations

Except as otherwise stated in this Letter of Offer, the Risk Factors given in this Letter of Offer and the following important factors could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
- Company's ability to successfully implement its strategy and its growth and expansion plans; Factors affecting industrial activity;
- Increasing competition in the industry;
- Changes in the value of the Indian rupee and other currencies, in particular, the U.S. Dollar; Cyclical or seasonal fluctuations in the operating results;
- Amount that the Company is able to realize from the clients; Changes in laws and regulations that apply to the industry; Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism; Changes in the foreign exchange control regulations, interest rates and tax laws in India.

#### Discussions on Results of operations:

The Company was originally incorporated on 10/02/1995 with the main objects to carry on the business of development of Power Projects. The Company started its activities as developer of power projects through the Special Purpose Vehicle – Shree Maheshwar Hydel Power Corporation Ltd. for setting up of Hydel Power Project of 400 MW in the State of Madhya Pradesh. The Company plays a pioneering role in developing hydro power in the private sector. Through EnnerGreen Solutions company is engaged in marketing new technology driven renewable energy products. It also integrates to offer renewable energy solutions by providing best combination approaches for infrastructure projects like residential projects, commercial projects, knowledge parks etc.

You should read the following discussion of our financial condition and results of operation together with our financial statements, as restated, for each of the fiscal years ended March 31, 2004, 2005, 2006 2007 and ten months ended January 31, 2008 including the notes thereto and the reports, schedules and annexure thereon, which appear in the Auditors' Report included elsewhere in the Offer Document. These financial statements are prepared in accordance with Indian GAAP and the Companies Act and are restated in accordance with SEBI Guidelines.



**Statement of Profits & Loss – Restated**

(Rs. in lacs)

Particulars	Period ended 31.01.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05	Period (15 months) ended 31.03.04
<b>Income</b>					
<b>Sales</b>					
Products Traded in by the Company / Project Consultancy Fees	16103.42	19,718.91	3,444.83	-	-
<b>Total Operational Income</b>	<b>16103.42</b>	<b>19,718.91</b>	<b>3,444.83</b>	-	-
Other Income	1,658.32	430.83	14.21	2.82	-
Increase / (Decrease) in Inventories	-	-	-	-	-
<b>Total (A)</b>	<b>17761.74</b>	<b>20,149.74</b>	<b>3,459.04</b>	<b>2.82</b>	-
<b>Expenditure</b>					
Purchase of Trading Goods	16054.58	17,571.95	2,502.43	-	-
Operative Expenses	368.00	363.10	56.90	57.89	-
Financial Charges	153.55	474.28	680.37	0.33	-
Depreciation	2.91	1.74	1.81	1.53	-
Share Issue Expenses Written Off	4.27	-	-	3.00	-
Preliminary Expenses Written Off	1.38	6.32	3.94	0.13	-
<b>Total (B)</b>	<b>16584.69</b>	<b>18,417.39</b>	<b>3,245.45</b>	<b>62.88</b>	-
<b>Profit before Extra Ordinary Items &amp; Prior Period Adjustments (A-B)</b>	<b>1177.05</b>	<b>1,732.35</b>	<b>213.59</b>	<b>(60.06)</b>	-
<b>Add / (Less):</b> Prior Period Adjustments	(69.92)	(20.95)	(0.36)		
<b>Add / (Less):</b> Extra Ordinary Items		(271.91)		-	-
<b>Profit before Tax after Extra Ordinary Items &amp; Prior Period Adjustments</b>	<b>1107.13</b>	<b>1,439.49</b>	<b>213.23</b>	<b>(60.06)</b>	-
Provision for Taxation	140.00	170.00	19.00	-	-
Provision for Fringe Benefit Tax	4.29	-	0.94	-	-
Provision for Wealth Tax / Earlier years IT	-	(12.43)	-	-	-
Deferred Tax	1.77	(0.04)	(4.70)	0.03	-
<b>Profit after Tax</b>	<b>961.07</b>	<b>1,281.96</b>	<b>197.99</b>	<b>(60.09)</b>	-
<b>Add / (Less): Adjustments for Restatement:</b>					
Interest Capitalized / Reversed (Refer Note No. A – I – 1 and A – II – 1, 3 & 7)	-	-	4,372.51	1,327.16	(2,374.30)
Pre- Operative Expenses (Refer Note No. A – I - 2)	-	-	-	-	4.36
Deferral of Expenses (Refer Note No. A – I – 2)	-	-	-	-	(16.69)
Pre- Operative Expenses (Refer Note No. A – II- 2 & 9)	-	-	-	21.53	-
Depreciation (Refer Note No. A – I – 2)	-	-	-	-	(2.74)
Share Issue Expenses Written Off (Refer Note No. A – I - 2)	-	-	-	-	(3.75)
Preliminary Expenditure Written Off (Refer Note No. A – I – 2)	-	-	-	-	(0.34)
Provision for Taxation (Refer Note No. A – I – 2, A – II – 5 & 10)	-	-	-	-	(1.13)
Deferred Tax Liability	-	-	-	-	-
Provision for Loans & Advances (Refer Note No. A – II- 4 & 8)	-	-	-	36.00	-
<b>Profit after Tax – Restated</b>	<b>961.07</b>	<b>1,281.96</b>	<b>4,570.50</b>	<b>1,324.60</b>	<b>(2,394.59)</b>
<b>Balance Brought forward &amp; General Reserve – Restated</b>	<b>1,321.39</b>	<b>39.43</b>	<b>(4,531.07)</b>	<b>(5,855.67)</b>	<b>(3,461.08)</b>
<b>Profit available for Appropriation – Restated</b>	<b>2,282.46</b>	<b>1,321.39</b>	<b>39.43</b>	<b>(4,531.07)</b>	<b>(5,855.67)</b>

## **Comparison of recent financial years with the previous financial years.**

### **Comparison of period till 31/01/2008 over FY 2007**

#### **Revenues:**

The Company's sales turnover for 10 months period ended 31/01/2008 was worth Rs.16103.42 lacs as compared to Rs. 19718.91 lacs during the previous year ended 31/03/2007.

#### **Other Income**

The other income increased to Rs. 1658.32 lacs from Rs 430.83 lacs on account of write back of liabilities due to the settlement to the tune of Rs. 1568.08 lacs.

#### **Raw Materials**

The cost of purchase of Raw Material was Rs. 16054.58 lacs as compared to previous year amounting to Rs 17571.95 Lacs.

#### **Financial Expenses**

The total financial charges for the year were reduced to Rs. 153.55 lacs from Rs. 474.28 lacs due to repayment of certain portion of Company's debts.

#### **Depreciation**

The gross block of fixed assets has increased from Rs. 20.82 lacs to Rs. 48.10 lacs mainly due to purchase of vehicles and other miscellaneous assets for business purposes. This has led to an increase in the depreciation from Rs. 1.74 lacs to Rs 2.91 lacs.

#### **Profitability**

Profit after tax for the period ended 31/01/2008 was Rs 961.07 lacs as compared Rs 1281.96 lacs for the previous year ended 31/03/2007

#### **Cash and Balance**

Cash and bank balance for the period ended 31/01/2008 has increased significantly due to the receipt of share application money brought in by the promoters.

#### **Reasons for Increase in Sundry Debtors:**

In the period from April 2007 to January 31, 2008, the sundry debtors increased from Rs. 25403.63 lacs to Rs. 33921.76 lacs, due to the outstanding due from the sale of SMHPCL shares consideration receivable from SKGPV which was shown in Sundry debtors along with the other trade debtors.

#### **Reasons for Increase in Reserves & Surplus:**

In the period from April 2007 to January 31, 2008, the increase in Reserves & Surplus from Rs. 1321.38 Lacs to Rs. 2282.46 Lacs was due to the profits on account of adjustment/write back of MPSIDC interest as per the OTS Policy.

#### **Reasons for Increase in Other Income:**

In the period from April 2007 to January 31, 2008 there is an increase in Other Income amounting to Rs. 1658. 32 Lacs on account of adjustment/write back of interest liability towards MPSIDC as per the OTS Policy

### **Comparison of FY 2007 over FY 2006**

#### **Revenues:**

The Company achieved the sales turnover of Rs.19,718.91 lacs against turnover of Rs. 7817.34 lacs during the previous year on account of its diversification into renewable energy activities.

**Other Income**

The Company's other income increased from Rs. 14.21 lacs to Rs 430.83 lacs on account of writing back of liability due to one time settlement with KSIIDCL (Karnataka State Industrial Investment Development Corporation Limited).

**Raw Materials**

The cost of purchase of Raw Material is Rs. 17571.95 lacs compared to previous year amounting to Rs 2502.43 Lacs on account of increase in sales.

**Personnel Expenditure**

The Salaries and other benefits for the year increased from Rs 12.30 lacs to Rs 76.80 lacs due to increase in manpower.

**Administrative and Selling Expenses**

The Company incurred Rs. 286.30 Lacs towards general administrative expenses compared to previous year Rs 45.54 Lacs due to taking off interest liability of Modak Rubber and Textiles Limited towards Madhya Pradesh State Industrial Development Corporation Limited (MPSIDCL) to the extent of Rs 271.91 Lacs and increase in sales.

**Financial Expenses**

The total financial charges for the year were reduced to Rs. 474.28 lacs from Rs. 680.37 lacs due to repayment of certain portion of Company's debts.

**Depreciation**

For the year ended the depreciation amount decreased from Rs 1.81 to Rs. 1.74 lacs on the fixed assets of the company.

**Profitability**

Profit after tax decreased to Rs 1281.96 lacs from the previous year Rs 4570.50 lacs due to change in accounting policy. In the year 2005-06 the company had capitalized / debited interest amount to investment account to the extent of Rs. 4372.51 lacs. In the year 2006-07 the company reversed the said interest capitalized / debited to investment account to the extent of Rs. 4372.51 Lacs by crediting interest/ investment account.

**Reasons for Increase in Sundry Debtors:**

In the period from March 2006 to March 31, 2007 , the sundry debtors increased from Rs. 15922.81 lacs to Rs. 25403.63 lacs, due to the the outstanding due from the sale of SMHPCL shares consideration receivable from SKGPV was shown in Sundry debtors along with the other trade debtors.

**Reasons for sharp fall in Investment:**

As per the board's strategic decision to sell the shares of SMHPCL there was sharp fall in Investments from Rs. 3044.81 Lacs to Rs. 0.72 Lacs on account of sale of 3.044 Crores Equity Shares of SMHPCL during 2006-07.

**Comparison of FY 2006 over FY 2005****Revenues:**

There was no income from business activities carried out by the company during 2004-05. The income as shown in restated account is towards adjustment for interest capitalized/reversed. The Income in the year 2005-06 is partly from supply of fuel to energy sector and 43.72 crores towards adjustment for interest capitalized.

**Other Income**

The Company's other income increased from Rs. 2.82 lacs to Rs.14.21 lacs on account of receipt of interest on Income Tax refund.

**Raw materials**

The cost of purchase of Raw Material is Rs. 2502.43 lacs. There were no business activities during the previous year hence the cost of raw material is not comparable.

**Personnel Expenditure**

The Salaries for the year increased from Rs 2.34 lacs to Rs 12.30 lacs due to increase in manpower.

**Administrative and Selling Expenses**

The Company incurred Rs. 45.54 Lacs towards general administrative expenses compared to previous year expenditure Rs. 55.54 Lacs due to provision for doubtful loans and advances in the year 2004 and 2005.

**Financial Expenses**

The total financial expenses for the year increased to Rs. 680.37 lacs from Rs. 0.33 lacs due to change in accounting policy in respect of the interest on unsecured loans borrowed for the purpose of long term investments in a subsidiary company (for part of the year), by charging the same to the revenue, inline with generally followed accounting principles. The company had been capitalizing the same under the head investments from 01/10/2000 to 31/03/2005.

**Depreciation**

For the year ended the depreciation was increased to Rs.1.81 from Rs. 1.52 lacs on account of additional fixed assets purchased by the company.

**Profitability**

The Company recorded a profit of Rs 4570.50 lacs against Rs 1324.60 lacs, which was mainly due to profit on sale of investments, as well as reversal of interest capitalized.

**Reasons for sharp fall in Investment:**

As per the board's strategic decision to sell the shares of SMHPCL there was a sharp fall in Investments from Rs. 18024.82 Lacs to Rs. 3044.81 Lacs on account of sale of 10.60 Crores Equity Shares of Shree Maheshwar Hydel Power Corporation Ltd. in the FY 2005-2006.

**Comparison of FY 2005 over FY 2004**

There was no income from business activities carried out by the company during 2004-05, the income as shown in the restated account is towards adjustments for interest capitalized of Rs. 1327.00 lacs.

During the Financial Year 2004 – 05, the Company has entered into a one time Settlement with M/s Madhya Pradesh State Industrial Development Corporation Limited vide letter dated 03<sup>rd</sup> July 2004 wherein the amount of interest of Rs.3261.45 Lacs was waived, credit of which was taken in Investment Account.

In the same year, the company also capitalized interest on various loans to the extent of Rs. 1934.29 Lacs by way of debiting Investment Account. Both these transactions have been qualified by the auditors. As the net amount of Rs. 1327.16 Lacs is restated during the said year by way of crediting Profit and Loss Account, there is a net cash inflow from operating activities to the tune of Rs. 1755.04 Lacs.

## Reasons for the changes in significant items of Income and Expenditure

- **Unusual or infrequent events or transactions**

There have been no unusual or infrequent events or transactions in the aforesaid financial period

- **Significant economic changes likely to affect operations in future.**

There are no significant economic changes which are currently expected that may affect the operations in the foreseeable future

- **Known trends or uncertainties likely to affect operations in future**

Except as stated in this Letter of Offer, no known trends and uncertainties are envisaged from continuing operations.

- **Future changes in relationship between cost and revenues**

Relationship between costs and revenues are unlikely to materially deviate from past trends.

- **Total Revenue from different segments in which company operates**

The company is engaged primarily in the business of development of power projects and accordingly there are no separate reportable segments as per Accounting Standard-17 dealing with Segment Reporting.

- **Introduction of new products**

The Company is evaluating several new product offerings but these may not materialize in the foreseeable future to significantly impact income or expenditure.

- **Seasonality of business**

The business is not seasonal in nature.

- **Dependence on single or few suppliers/customers**

The company is presently into trading of commodities .The Company sources all requirements of commodities from diverse groups of suppliers in the domestic markets as well as imports and thus the company's operations are risk averse from supply side. Considering that the company operates in a specialized domain there is no threat of excessive dependence on any single customer. The company's products are sold to customers and has repetitive orders. The company does not foresee business risk arising from the customers.

- **Competitive Conditions**

For details of competitive conditions please refer to "Business Overview – Competition" on page no. 41

## SECTION V - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND DEFAULTS

Except as described below and in the notes to the financial statements, there are no contingent liabilities not provided for, outstanding litigations, disputes, non payment of statutory dues including disputed/contested tax liabilities of any nature including government claims, overdues to banks/ financial institutions, defaults including those against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares issued by the Company or the companies/firms promoted by the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act, 1956) against Entegra Limited save and except the following:

#### A) OUTSTANDING LITIGATION INVOLVING THE ISSUER COMPANY: Entegra Limited

##### (i) Disputes against the Company

Criminal Laws	Nil
Arbitration Matters	Nil
Civil Laws	1
Statutory Laws	Nil

##### (ii) Disputes/Claims Filed by the Company

Criminal Laws	Nil
Arbitration Matters	Nil
Civil Laws	Nil

#### Pertaining to Statutory Laws:

##### a. Income tax cases

#### ASSESSMENT YEAR 2001-02

The Company has filed an Appeal before the Income Tax Appellate Tribunal, Mumbai on 23/11/2004 against order dated 17/09/2004 passed by the Commissioner of Income Tax, Appeals VI, Mumbai. The Commissioner of Income tax vide its aforesaid order computed the tax liability to Rs. 289 Lacs along with interest. The matter is pending for hearing and a further date has been fixed for hearing by the authorities.

##### (iii) Statutory/Other Legal Notices Received By The Company and its Directors

- The Company has obtained Unsecured Loan/Inter-corporate Deposit from Madhya Pradesh State Industrial Development Corporation (MPSIDC). The Department of Economic Offence initiated an inquiry against the Madhya Pradesh State Industrial Development Corporation (MPSIDC) for grant of loans to various companies by MPSIDC. Consequently, as part of the inquiry, the Economic Offence department issued notices to the office bearers of the Company, requesting for providing details with regard to Loans Disbursed by MPSIDC and it's Purpose/use etc. The company has accordingly furnished the necessary information to the concerned department.

- b. The Company and its Directors are in receipt of twelve statutory legal notices issued under the provisions of Section 138 and 141 of the Negotiable Instruments Act, 1998 read with Section 420 of the Indian Penal Code for dishonor of cheques issued by the company to MPSIDC amounting to Rs. 2826.48 Lacs.
- c. MPSIDCL has given a notice in Economic Times, Mumbai dated September 13, 2001 stating Entegra is willful defaulter in repayment of overdue principal and interest more than Rs. 11.08 crores towards financial assistance given by them to the Company on promise of prompt and timely repayment.

**(iv) Pending Proceedings initiated for Economic Offences against the Issuer Company or its Directors.**

There has been no legal proceeding initiated for economic offences against the company or its directors.

**(v) Past Cases where penalties were imposed by Statutory Authorities on the Company or its Directors.**

There have been no penalties levied against the company or its directors by any statutory authority.

**(vi) Pending Proceedings initiated for Civil Cases against the Issuer Company**

There has been One Civil suit dated 09<sup>th</sup> May, 2008 against the issuer company in the Court of Civil Judge (senior Division), Patiala by Mr. Khushinder Kumar, inter- alia praying for a suit for a mandatory injunction directing to issue new share certificates of the Company due to change of name and splitting of Share certificate due to Scheme of Arrangement and Reconstruction under Section 391 read with Section 394 of the Companies Act, 1956, passed by the Hon'ble High Court Mumbai in 2001. The matter is adjourned to 18/7/2008 for hearing.

**B) OUTSTANDING LITIGATIONS/ DISPUTES/ DEFAULTS AGAINST PROMOTERS/ DIRECTORS OF THE ISSUER COMPANY**

There are no civil, criminal, statutory or other proceedings/cases pending against the promoters / directors of the Issuer Company except for Mr. Hiten Khatau who is the independent director of the Company.

**1. Hiten A. Khatau**

**(a) Litigation involving Criminal Offences**

- i. Deputy Registrar of Companies has filed a criminal suit bearing C.C.No. 110/SS/2004 before Metropolitan Court, Mumbai against Cable Corporation of India Limited and its directors for non repayment of Fixed Deposits and interest thereon.
- ii. Kotak Mahindra Bank Limited have filed Criminal Petition bearing No. 544 and 545 of 2003 before Court of Chief Judicial magistrate, Thane against the Company Nobiletto & its directors, under Section 138 of Negotiable Instrument Act. The amount claimed for recovery is Rs.163 Lacs. The High Court of Mumbai has granted Stay in the aforesaid proceedings.

**(b) Litigation involving labour laws, Winding up petitions or closure.**

- i. Shramik Utkarsh Sabha (SUS) an employee union has filed a suit bearing No.312/2002 against Cable Corporation of India Limited and its directors for non-payment of statutory and other dues/wages, VRS etc.
- ii. J.C. More, R.A Sanel, R.P. Singh, V.B. Shah and R.G. Chogle have filed a Civil Suit bearing No. 1017/2002 against Cable Corporation of India Limited, its directors & others inter alia seeking relief of Injunction, Interim relief to pay wages, gratuity, ex-gratia, bonus etc.

### (c) Litigation involving Civil and Economic Offences

- i. State Bank of Hyderabad has filed a suit bearing 603 of 2000 before Debt recovery Tribunal, Mumbai for outstanding dues from bank for an amount of Rs. 91 Lacs against Khatau Ecco Ltd and Others. Mr.Hiten A. Kahatau is a party to the case. The Company and the Bank are negotiating for a one time settlement.
- ii. Gujarat Industrial Investment Corporation Limited (GIICL) has filed a suit bearing No. 742 of 2005 before City Civil Court, Ahmedabad for recovery of outstanding dues amounting to Rs. 122 Lacs. Mr. Hiten A. Khatau is a party to the case.
- iii. Diyakant M Khatau filed a Suit bearing No. 2470 of 1994 before Bombay High Court against the Khatau family/ Khatau Private Trust Properties. Mr. Hiten A. Khatau is a party to the case.

## C) OUTSTANDING LITIGATION PERTAINING TO GROUP COMPANIES

### 1. SHREE MAHESHWAR HYDEL POWER CORPORATION LTD. (SMHPCL):

#### (i) Disputes against SMHPCL

Criminal Laws	Nil
Securities laws	Nil
Tax Disputes	Nil
Arbitration Matters	Nil

#### Pertaining to Civil Laws

- i. The Petitioner Miss. Chitaroopa Patil has filed Special Leave Petition No.23991 of 2003 against SMHPCL before the Hon'ble Supreme Court of India. The Petitioner vide the aforesaid Special Leave Petition, has challenged the Order dated 25/07/2003 passed by the Hon'ble High Court of Mumbai in AFO 400/03. The Hon'ble High Court vide the aforesaid Order set aside the Learned Civil Judge's Order dated 23/10/2001 passed in Suit No.5560 of 2001 and restrained the Petitioner (Miss. Chitaroopa Patil) from making any defamatory statements against the Respondent Company. As on date the aforesaid Special Leave Petition is admitted on the basis of the undertaking given by the Petitioner for not making any defamatory statements against the Company pending litigation. The Special Leave Petition is pending for final hearing.
- ii. **Submergence/Land Compensation case**  
 SMHPCL has been made a party in the matter titled Mr. Heera Vs. Mr. Beerojbai filed before the 1<sup>st</sup> Class Magistrate Court, Mandleshwar. The Applicant/Plaintiff is claiming for compensation for submergence of land. The matter is pending hearing before the Learned Magistrate's Court.
- iii. **Labour Law Case**  
 Mr. Gajanand P. Patidar, Mr. Manohar B. Mr. Mansore, Mr. Rameshchand M. Rathod filed an application before the Assistant Labour Commissioner, Khandwa against SMHCPL U/s 31(3), 61 & 62 of Madhya Pradesh Industrial Relations Act, 1961 & 1963 inter alia claiming for reinstatement. The Assistant Labour Commissioner vide its ex-parte order dated 13/02/2003 directed SMHPCL to reinstate the expelled workmen into service. Aggrieved by the aforesaid Order, SMHPCL preferred an appeal before Industrial Court, Khandwa, wherein the Honourable Court decided the matter in favor of SMHPCL vide order dated 05/07/2005. Consequently, the three Workmen have filed Appeal No. 390 of 2005 before the Industrial Court at Indore challenging the Order dated 05/07/2005. The matters are pending for final hearing.



## (ii) Disputes by SMPHCL

Criminal Laws	Nil
Securities Laws	Nil
Tax Disputes	Nil
Arbitration Laws	Nil

### Pertaining to Civil Laws

#### i. Defamatory case

The Defendants Narmada Bachao Andolan released a press note making defamatory statements against the Plaintiff Company (SMHPCL). Accordingly, SMHPCL filed Suit No.5560 of 2001 before the City Civil Court No.2, Mumbai, inter alia seeking the relief of injunction and damages against the defendants. The Suit is pending for the cross examination of the Plaintiff's witnesses. The next date of hearing is 1<sup>st</sup> July, 2008

#### ii. Provident Fund Case

Assistant Provident Fund Commissioner, Indore vide order dated 24/04/2005 assessed dues amounting to Rs.14,58,385/- of provident fund for the period of April, 2005 to be paid by SMHPCL. SMHPCL preferred an Appeal before the Provident Fund Tribunal against the aforesaid Order. The said Appeal was dismissed against SMHPCL. Consequently, SMHPCL has filed Writ Petitions entitled SMHPCL Vs. Assistant Commissioner of Provident Fund and Ors – Writ Petition No.20074 of 2006 and Writ Petition No. 20018 of 2006 before the Hon'ble High Court of Delhi. As on date, notice has been issued in the aforesaid Writs and the Hon'ble Delhi High Court has granted stay on execution of the Assistant Provident Fund Commissioner's Order dated 25/04/2005 till final disposal. The Petitions are pending in the Delhi High Court, awaiting the counter affidavits of the Respondents.

## 2. S. KUMARS LIMITED

### (i). Disputes against S.Kumars Limited

Securities Laws	Nil
Arbitration Matters	Nil

### Pertaining to Civil Laws:

#### i. Madhya Pradesh Pollution Control Board (MPPCB) Vs. S Kumars Ltd

MPPCB has filed Appeal No.s MCRL/1116 of 2003, MCRL/1117 of 2003, MCRL/1118 of 2003, MCRL/1119 of 2003 and MCRL/1120 of 2003 before the Hon'ble Madhya Pradesh High Court, Bench at Indore against S. Kumars Ltd challenging the Order dated 14/01/2003 passed by the District Judge. The matter is in relation to the Company (S.Kumars) commencing its factory unit without obtaining statutory approvals/permissions from MPPCB. Notice was received on 26/3/2003 and matters as date are pending further hearing.

### Pertaining to Criminal laws

- i. Madhya Pradesh Police has filed Criminal Case No. 399 of 2006, Criminal Case No. 48 /CR/06, Criminal Case No.58/CR/06 and Criminal Case No. 54 of 2006 before the Chief Judicial Magistrate against the accused Ramesh Singh, Mr. Ratan Singh, Mr. Uttam Singh and Mr. Solanki respectively. The company is also made a party in the aforesaid matters. The Charges are in relation to the dispute/assaults between the employees and management. All the

aforesaid matters are pending for further hearing and plead. The case fixed for hearing is 25/06/2008

#### Matters before High Court

Sr. No.	Case No.	Particulars of the case	Court pending where	Present status of the case
1.	Appeal No.1109/08	Mr. Magnilal Deovda has filed an appeal against S. Kumars Ltd before the High Court, Indore challenging the order of the Industrial Court which held that he was not entitled to back wages and reinstatement.	High Court Indore	Pending for arguments.
2.	Appeal No. 4556/07	Mr. Subhash Sharma has filed an appeal against S.Kumars Ltd before the High Court, Indore, challenging the order of the Industrial Court which held that he was not entitled to back wages and reinstatement.	High Court Indore	Pending for arguments.
3.	Appeal No.3883/07 & Appeal No. 6292/07	Mr.Hemraj Itoria has filed an appeal against S.Kumars Ltd before the High Court, Indore challenging the order of the Industrial Court which held that he was not entitled to back wages and reinstatement.	High Court Indore	Pending for arguments.
4.	Appeal No. 3867/07	Mr.Vikarm Singh has filed an appeal against S.Kumars Ltd before the High Court, Indore, challenging the order of the Industrial Court which held that he was not entitled for back wages and reinstatement.	High Court Indore	Pending for arguments.

#### Matters before the Labour court

Sr.No.	Case No.	Particulars of the case	Court where pending	Present status of the case
1.	Case No.133/MP/R of 2001	Mr. Rameshchandra has filed a case against S. Kumars Ltd. regarding his alleged dismissal of service after proper enquiry (production loss)	Labour Court	For Applicant witness/ on Dtd. 20.06.08
2.	Case No.281 of 2000	Mr. Manohar has filed a case against S.Kumars Ltd. regarding his alleged dismissal of service after proper enquiry (production loss)	Labour Court	For Applicant witness/ on Dtd. 20.06.08
3.	Case No.278 of 2000	Mr. Durgashankar has filed a case against S.Kumars Ltd. regarding his alleged dismissal of service after proper enquiry (production loss)	Labour Court	For Applicant witness/ on Dtd. 20.06.08
4.	Case No. 297/ MPIR of 2001	Mr. Omprakash has filed a case against S.Kumars Ltd. regarding his alleged dismissal of service after proper enquiry (production loss)	Labour Court	For Applicant witness/ on Dtd. 20.06.08
5.	Case No. 33/MPPIR of	Mr. Hemrajitoria has filed a criminal charge case against the	Labour Court	For Plea next date 11.07.08

	2001	Ex-president, Mr.P.K. Tiwari of S.Kumars Ltd and Assistant Manager of S.Kumars Ltd.		
6.	Case No. 16 of 2005	Mr.Omkar Singh has filed a case against the company with relation to an alleged demand for payment of wages for the period 8.4.2004 to 4.11.2004	Labour Court	for company witness. On Dt. 11.07.08
7.	Case no. 18 MCC of 2006	Mr. Vinod Panchal has filed a case against S.Kumars Ltd demanding for payment of alleged wages for the period 28.9.2001 to 28.2.2006.	Labour Court	For applicant cross examination. On Dtd.20.06.08
8.	Case No. 4/MPIR/F of 2006	Mr. Rajendra Pratap has filed a case against S.Kumars Ltd under the Factories Act/criminal charge.	Labour Court	For Plea next date 18.07.08
9.	Case No. 7/MPIR/F of 2006	Mr.Vinod panchal has filed a case against S.Kumars Ltd under the Factories Act (Sec 91/93)	Labour Court	For plea next date 11.07.08

#### **Matters pertaining to Excise Duty**

- i. The Excise Duty Department has preferred an appeal against S. Kumars Ltd challenging the Order passed in favour of S. Kumars Ltd in relation to the dispute of classification for knitted pile fabrics of cottons. The amount involved in the matter is Rs. 48 Lacs.
- ii. The Excise Duty Department has preferred a second appeal against the Order passed by the first appeal tribunal in favour of the company. The matter pertains to classification for pile fabrics in relation to the period July, 1998 to February,2003. The amount involved in the matter is Rs. 57lacs.
- iii. An appeal has been filed by the excise duty department in relation to the valuation of fabrics. The amount involved in the matter is Rs. 382 Lacs.

#### **ii) Disputes by S.KUMARS LIMITED**

Criminal Laws	Nil
Securities Laws	Nil
Arbitration Matters	Nil

#### **Pertaining to Civil Laws**

##### **Matter before Industrial Court**

#### **i. S.Kumars Ltd V/s Mr. Rajendra Pratap**

Case No.131/MPIR has been filed by the S.Kumars Ltd. before the Industrial Court, Indore. The Company has challenged the order of the Labour Court. The Matter is in relation to the alleged dismissal of service without proper enquiry (for accident). The matter was listed on 28/09/2006. The matter is pending for service of notice .

### **Matters pertaining to Sales Tax**

- i. Writ Petition has been filed by the Sales Tax Dept before the Hon'ble Supreme Court of India, against the relief granted to S. Kumars Ltd by the Hon'ble Madhya Pradesh High Court, Bench at Indore. The matter pertains to Sales Tax assessment for the year 1987 - 1988 and 1988 - 1989 amounting to Rs. 0.98 lacs
- ii. S. Kumars Ltd. has preferred an Appeal before the Hon. President of MPCDT, appellate Board, Bhopal against the Order passed by Assistant Commissioner, Dewas for the year 1998-1999. The amount involved is Rs. 36. 37lacs

### **Pertaining to Entry Tax**

- i. Entry Tax amount for the year 1988 - 1989 levied against S. Kumars Ltd. amounting to Rs. 0.50 lacs , has been disputed by the company by filing an Appeal before the Board of Revenue.

### **Pertaining to Excise Duty:**

- i. S. Kumars Ltd has preferred an appeal before CESTAT , Delhi against the Order passed by the Commissioner, Indore confirming demand including penalty for the year 1993- 1994 to 1998-1999 and for the period April, 1999 to December, 2000. Amount involved is Rs.1375 lacs.

## **3. SKM FABRICS (AMANA) LIMITED**

### **(i) DISPUTES AGAINST SKM FABRICS (AMANA) LIMITED**

#### **Matter before the Industrial Court:**

- i. **Mr. Ramesh Mukund V/s SKML Dyeing**  
Labour court decision in co's favour. Hence applicant appealed to industrial court for reinstatement and back wages. Next date on 11/10/2008 .

## **4. HINDON RIVER MILLS LIMITED**

### **(i) DISPUTES AGAINST HINDON RIVER MILLS LIMITED**

#### **Pending Commercial/Civil Cases**

<b>Sr. No.</b>	<b>Brief Particulars Of The Case</b>	<b>Amount (in lacs)</b>	<b>Court where the matter is pending</b>	<b>Status</b>
1.	M/s Victory Conduit Mfg Co., Delhi has filed a recovery suit against HRML for the packing material purchased from it.	2.29	Additional District Judge, Patiala House, Delhi	Stay under BIFR
2.	Perfect Management Consultants engaged in the business of providing placement services has filed a suit claiming alleged professional charges for placement of Mr. Amit Ghosh in the Process House of the Mills.	0.42	Civil Judge, Tis Hazari, Delhi	Stay under BIFR

Sr. No.	Brief Particulars Of The Case	Amount (in lacs)	Court where the matter is pending	Status
3.	M/s J.K Associates has filed a recovery suit for recovery of its alleged dues amounting to Rs. 174612/- and Rs. 1,19,033/- for the dyes and chemicals supplied by it to HRML and also showing it to be a unit of DCM Shriram Industries Ltd	1.74 1.19	District Judge, Tis Hazari, Delhi	Stay under BIFR
4.	M/s Rameshwar Das Dwarka Das Pvt Ltd has filed recovery suit for Rs 50350/- against DCM Shriram Industries Ltd and M/s HRML for supply of V Belts.	0.50	District Judge, Tis Hazari, Delhi	Stay under BIFR
5.	M/s Ram Avtar Gupta & Co, Delhi had filed the suit against HRML for recovery of its alleged outstanding dues amounting to Rs. 48949/- in relation to the supply of Hessian cloth to HRML	0.49	Civil Judge, Tis Hazari, Delhi	Stay under BIFR
6.	M/s S.P Traders, Ahmedabad has filed a Suit for recovery of Rs. 210431.50/- payable by HRML.	2.10	City Civil Court, Ahmedabad	Stay under BIFR
7.	M/s Agni Control, Madras has filed the suit for recovery of an alleged sum of Rs.3,29,907/-for the supply and installation of 5 diversion systems in DCM Clusone Spinning Mills.	3.30	City Civil Court, Ahmedabad	Stay under BIFR
8.	M/s Chaudhary Cotton Traders had filed a Civil suit in 1996 for recovery of an alleged sum of Rs. 113253/- along with interest towards the balance amount of 100 bales purchased by HRML.	1.13	Addl Sub Court, Narasaraope, Andhra Pradesh	Stay under BIFR
9.	Neo Patcon India Pvt Ltd, Hyderabad has filed a suit for recovery of an alleged sum of Rs.3,47,856/-for the supply of diesel additives to HRML.	3.48	City Civil Court, Ghaziabad	Stay Application filed before BIFR pending for disposal.

Sr. No.	Brief Particulars Of The Case	Amount (in lacs)	Court where the matter is pending	Status
10.	Kapil Electricals has filed a civil suit against HRML for recovery of its alleged outstanding dues amounting to Rs.1,83,495/- against electrical goods supplied to HRML.	1.84	Sr.Civil judge Delhi	Stay under BIFR
11.	M/s Associated Cones Pvt Ltd has filed case against HRML for recovery of its alleged outstanding dues amounting to Rs. 23,31,443/- payable against paper cones supplied to HRML.	23.31	City Civil Court, Chandigarh	Stay under BIFR
13.	Mr. M.P Aggarwal has filed a civil suit against HRML, for recovery of its alleged outstanding dues amounting to Rs. 216880/- along with interest etc	2.17	City Civil Court, Varanasi	Stay application filed by HRML before BIFR is pending disposal.
14.	Aggarwal Chemicals, Indore has raised a dispute for recovery of its alleged outstanding dues amounting to Rs.1,46,554/-	1.47	Udyog sanchanarya Bhopal	Notice was issued to HRML to attend the proceedings fixed on 16/09/2002, without the copy of the Suit/claim. Letter was sent to the authority to the supply the copy of the suit/claim.Received no response.
15.	Balaji Traders, Guntoor has filed civil suit for recovery of its alleged dues against cotton supplied by it to the company. Claimed amount is Rs. 9.96 lacs	9.96	Principal (Sr.) Civil Judge, Guntoor	Matter is dismissed in default. The party has moved restoration application.
17.	Sri Venkat Srinivasa Traders, Guntoor has filed a civil suit for recovery of its alleged outstanding dues against cotton supplied by it to HRML.	21.12	Principal (Sr.) Civil Judge, Guntoor	Stay application filed under BIFR is rejected. The Company is willing to move in HC ,Hyderabad
18.	Bharat Sanchar Nigam Ltd (BSNL) has filed a civil suit	0.36	Civil Judge,	Case dismissed in default. Restoration

Sr. No.	Brief Particulars Of The Case	Amount (in lacs)	Court where the matter is pending	Status
	against M/s HRM Ltd for recovery of Rs. 36000/- against alleged outstanding bills of telephone installed in HRML.		Ghaziabad	application is pending for disposal.
19.	New India Co lour Company Ltd. has filed a complaint against HRML and its managing director U/s 138 of NI Act. The said Company had supplied dyes and chemicals etc. to HRML. The amount of the alleged disputed Cheque is Rs.1, 28,723.49.	1.29	Metropolitan Magistrate, Teez Hazari, Delhi	Matter is pending for service of summons.
20	M/s Swastik Power aids have filed a Civil Recovery Suit for sum Rs 4.95 lacs with interest against HRML for supply of spares parts for Diesel generator/machines.	4.95	Sr. Civil judge Delhi	Stay pursuant to reference filed before BIFR
21	M/s Suresh Kumar Gupta & sons ,commission agents have filed Claim before Arbitrator, Delhi Hindustani Mercantile Association, for sum of Rs.2.1 lacs being their commission, security deposit & interest	2.10	Arbitrator,DHMA-Delhi	Stay application filed pursuant to reference filed before BIFR is rejected. Written Statement submitted by us Case is pending for Order.
22	Haroon Ali, Labour contractor has instituted a Civil suit for recovery of sum of Rs 2,56,223 towards his dues.	2.56	Civil Judge, Sr.Div,Ghaziabad	Case is pending for Order.
23	Haroon Ali, Labour contractor has instituted a criminal action under Sec 420 of IPC in connection with the recovery suit.	-	JM,Ghaziabad	Stay granted by High Court, Allahabad
24	Hasart Ali, Labour contractor Has instituted a criminal case for Rs 1,69,000 in connection with the recovery suit.	1.69	JM,Ghaziabad	Stay granted by High Court, Allahabad
25	Devender Giri, A Worker & Others Filed A Civil Case For Possession Of House In HRM Colony.	-	Civil Judge, Jr.Div,Ghaziabad	Case will be decided in our favour as it is not being pursued by the compalinant
26	Mr. Beg Raj, Worker, filed a Civil Case for Possession Of House in HRML's Colony	-	Civil Judge, Sr.Div,Ghaziabad	Panchayat report along with photos submitted to court

Sr. No.	Brief Particulars Of The Case	Amount (in lacs)	Court where the matter is pending	Status
				that no colony is existing now & case likely to be rejected.
27	Mr. Gulpham, Labour contractor has instituted a criminal case For Rs 1,28,720.	1.29	JM,Ghaziabad	Stay granted by Allahabad HC
28	Bimla Devi filed case under sec 323, 506 & 354 against company officials at the time of vacating possession of Colony.	-	JM,Ghaziabad	Stay granted by Allahabad HC
29	Mr. Satpal filed case under sec 323, 506 & 354 against company officials at the time of vacating possession of Colony.	-	JM,Ghaziabad	Stay granted by Allahabad HC
	<b>Total Amount</b>	<b>90.75</b>		

**Pending Labour matters (Labour court, Civil & criminal)**

Sr. No	Case No.	Particulars of the case	Court where pending	Present status of the case
1.	Writ No. 35988/03	Mr. Moolchand, dismissed from services due to absenteeism has filed Writ Petition against HRML allegedly claiming wages, PF, gratuity etc.	Writ Petition pending before the Allahabad High Court	The matter is stayed by the Hon'ble High Court, Allahabad.
2.	Adj Case No. 47 of 89	Mr. Lalan Yadav has filed a case for alleged illegal termination with effect from 5.12.87	Labour Court Ghaziabad	For arguments
3.	Adj Case No. 629 of 88	Mr. Ramdatt has filed a case for alleged illegal termination will effect from 26/03/1987	Labour Court Ghaziabad	W/M evidence
4.	Adj Case No. 162 of 89	Mr. Fatehmohd. has filed a case for alleged illegal termination will effect from 29/09/1987	Labour Court Ghaziabad	W/M evidence
5.	Adj Case No. 70 of 91	Mr. Jaiveer Singh has filed a case for alleged illegal termination will effect from 03/02/1990	Labour Court Ghaziabad	W/M evidence



6.	Misc Case No. 48 of 1991	Mr. Brij Pal has filed a case for claiming alleged back wages from November, 1989 to September 30, 1990 during the period in which he remained absent.	Labour Court Ghaziabad	Evidence
7	Adj Case No. 64 of 1992	Mr. Sukveer Singh, has filed a case for alleged illegal termination with effect from 27/05/1991.	Labour Court Ghaziabad	Disposal of closure application & management evidence
8	Adj Case No. LCID 1180 of 84	Mr. Dharampal Bhaskar has filed a case for alleged illegal termination with affect from 14/07/1982.	Writ pending before the Delhi High Court	Final arguments
9	Adj Case No. 669 of 93	Mr. Rajveer (Casual worker) has filed a case for alleged illegal termination and for renewal of his pass after 09/01/1992.	Labour Court Ghaziabad	Additional rejoinder to W/M
10	Misc Case No. 1 of 1994	Mr. Abdulraoof has filed a case regarding alleged subsistence allowance payable for the suspension period commencing from 23/06/1993 to 11/02/1994.	Labour Court Ghaziabad	Matter stayed by the Allahabad High Court
11.	Adj Case No. 412 of 1994	Mr. Devimuni Yadav has filed a case for alleged illegal termination with effect from 06/10/1993.	Labour Court Ghaziabad	Disposal of Restoration Application
12	Adj Case No. 150 of 1994	Mr. Jagat Narain has filed a case for alleged illegal termination with effect from 04/05/1993.	Labour Court Ghaziabad	Additional Rejoinder W/M
13	Adj Case No. 207/94	After conducting a domestic enquiry, Mr. Raj Muni Sharma (Clerk) services were terminated by the Company for unauthorized absence. The said Clerk has filed a case against the company for his services being illegally terminated on 05/05/1992..	Labour Court, Ghaziabad	Management Evidence

14	Adj Case No. 94 of 1995	Mr. Bhisham Singh has filed a case for alleged illegal termination of service with effect from 20/05/1993.	Labour Court, Ghaziabad	Disposal of closure Application
15	Adj Case No. 45 of 1995	After conducting domestic enquiry, Mr. Mathuresh Prashad services were terminated on 31/08/1993 for unauthorized absence. Mr. Mathuresh has filed a case against the company.	Labour Court, Ghaziabad	Evidence W/M. Disposal of Closure Application.
16	Adj Case No. 376 of 1995	After conducting domestic enquiry, Mr. Brijpal Singh services were terminated on 21/08/1993 for unauthorized absence. Mr. Brijpal Singh has filed a case against the company.	Labour Court, Ghaziabad	Disposal of closure Application
17.	Adj Case No. 222 of 1995	After conducting domestic enquiry, Mr. Surender Singh services were terminated on 21/08/1993 for assaulting Mr. Anil Kumar Vijay. Mr. Surender Singh has filed a case against the company.	Labour Court, Ghaziabad	Reply W/M.
18.	Adj Case No. 274 of 1995	Mr. Beg Raj Singh has challenged the admissibility of resignation letter dated 02/06/1994 submitted by him to the management by filing a case against the Company.	Labour Court, Ghaziabad	Argument on amended application by W/M
19.	Adj Case No. 97 of 1997	After conducting domestic enquiry, Mr. Rampal Singh services were terminated on 01/03/1996 for unauthorized absence. Mr. Rampal Singh has filed a case against the company.	Labour Court, Ghaziabad	Disposal of Closure Application
20	Adj Case No. 626 of 1997	After conducting domestic enquiry, Mr. Balbir Singh services were terminated on 17/04/1995 for unauthorized absence. Mr. Balbir Singh has filed a case against the company.	Labour Court, Ghaziabad	Reply W/M.
21	Adj Case No.12 of 1997	Mr. Suryabhan Yadav's services were terminated for unauthorized absence. Mr. Suryabhan Yadav has filed a case against the company.	Labour Court, Ghaziabad	Disposal of Closure Application

22.	Adj Case No. 457 of 1997	Mr. Mulchand Sharma was transferred from HRML to DCM Clusone Spg.Mills. He has been absent from duty since his transfer and therefore his services have been terminated. Mr. Mulchand Sharma has filed a case against the company challenging his termination.	Labour Court, Ghaziabad	Reply W/M.
23	Adj Case No. 46 of 1996	Mr. Abdul Raoof's services were dismissed after conducting domestic enquiry. Mr. Abdul Raoof has filed a case against the company.	Labour Court, Ghaziabad	Reply W/M to the Closure Application
24.	Adj Case No.196 of 1999	Mr. Gyan Prakash's services were dismissed after conducting domestic enquiry on 25/06/1997. Mr. Gyan Prakash has filed a case against the company.	Labour Court, Ghaziabad	Reply W/M to the Closure Application
25	Adj Case No. 483 of 2001	Mr. Ram Dyan's services were dismissed after conducting domestic enquiry. Mr. Ram Dyan has filed a case against the company.	Labour Court, Ghaziabad	Evidence
26.	Adj Case No. 244 of 2001	Mr. Ravinder Nair's services were dismissed after conducting domestic enquiry. Mr. Ravinder Nair has filed a case against the company.	Labour Court, Ghaziabad	Documents to be filed.
27.	Adj Case No.228 of 2001	Mr. Dharambeer's services were dismissed after conducting domestic enquiry. Mr. Dharambeer has filed a case against the company.	Labour Court, Ghaziabad	Documents/Issues
28	Adj Case No. 321 of 2001	Mr. Ramsakal Singh has filed a case against the company for alleged illegal termination with effect from 16/07/1996.	Labour Court, Ghaziabad	Case Dismissed in default/ Writ Pending in Allahabad High Court against the Order of the Labour Court..
29.	Adj Case No.201 of 2002	Mr. Jaganpal has filed a case against the company for alleged illegal termination with effect from 05/11/1996	Labour Court, Ghaziabad	Pending for reference

30.	Adj Case No.279 of 2001	Mr. Omprakash has filed a case against the company for alleged illegal termination with effect from 05/11/1996	Labour Court, Ghaziabad	Disposal of Closure Application
31.	Adj Case 769/01	Mr. Raguraj Singh has filed a case against the company for alleged illegal termination with effect from 26/06/1998	Labour Court, Ghaziabad	For filing of rejoinder by both the parties.
32.	Adj Case No.406 of 1996	Case has been filed by Kapra Mill Mazdoor Sangh for promotion of Shri. Sushil Kumar Tyagi as Mistry.	Labour Court, Ghaziabad	Disposal of closure Application.
33.	Adj Case No.257 of 2002	Case has been filed by Kapra Mill Mazdoor Sangh for promotion of Mr. Jagdish Chandra Gupta as Tackler.	Labour Court, Ghaziabad	W/S to be filed by both the parties.
34	Misc. 22/06	Mr. Purshotam, a VRS worker has filed a case under section 33 C (2)	Labour Court, Ghaziabad	For filing of rejoinder by workman.
35.	Misc. 14/06	Mr. Rajendra Singh, a VRS worker has filed a case under section 33 C (2)	Labour Court, Ghaziabad	For filing of rejoinder by workman.
36.	Notice No. 13596/EA/ - IR	Mr. Anil Kumar Roopanwal has filed a case under section 33 C (1).	Labour Court, Ghaziabad	Management Arguments.
37	Case no. 289/02	Mr. P.S.Sedha has filed a case under section 33 C (1).	Labour Court, Ghaziabad	Management Arguments.
38	509/01	VRS:- Cheque dishonor Case under Section 138 of NI Act, for Sum of Rs 51312/-	TIS HAZARI COURT ,DELHI	Stay granted by High Court, Allahabad
39	1562/05	VRS:- Cheque dishonor Case under Section 138 of NI Act, for Sum of Rs 65003/-	JM,Ghaziabad	Stay granted by High Court, Allahabad
40	1262/06	VRS:- Cheque dishonor Case under Section 138 of NI Act, for Sum of Rs 49788/-	JM,Ghaziabad	Stay granted by High Court, Allahabad
41	987/05	VRS:- Cheque dishonor Case under section 138 of NI Act, for Sum of Rs 84358/-	JM,Ghaziabad	Stay granted by High Court, Allahabad
42	4954/05	VRS:- Cheque dishonor Case under section 138 of NI Act, for Sum of Rs 56488/-	JM,Ghaziabad	Stay granted by High Court, Allahabad
43	537/06	VRS:- Cheque dishonor Case under section 138 of NI Act, for Sum of Rs 51935/-	JM,Ghaziabad	Stay granted by High Court, Allahabad
44	543/06	VRS:- Cheque dishonor Case	JM,Ghaziabad	Stay granted by High

		under section 138 of NI Act, for Sum of Rs 51936/-		Court, Allahabad
45	1438/06	VRS:- Cheque dishonor Case under section 138 of NI Act, for Sum of Rs 69698/-	JM,Ghaziabad	Stay granted by High Court, Allahabad
46	1558/06	VRS:- Cheque dishonor Case under section 138 of NI Act, for Sum of Rs 67859/-	JM,Ghaziabad	Stay granted by High Court, Allahabad
47	1559/06	VRS:- Cheque dishonor Case under section 138 of NI Act, for Sum of Rs 84522/-	JM,Ghaziabad	Stay granted by High Court, Allahabad
48	896/05	VRS:- Cheque dishonor Case under section 138 of NI Act	JM,Ghaziabad	Stay granted by High Court, Allahabad
49	915/05	VRS:- Cheque dishonor Case under Section 138 of NI Act	JM,Ghaziabad	Stay granted by High Court, Allahabad
50	1185/05	VRS:- Cheque dishonor Case under section 138 of NI Act.	JM,Ghaziabad	Stay granted by High Court, Allahabad
51	1624/08	VRS:- Cheque dishonor Case under section 138 of NI Act.	Civil Judge JR Div,Ghaziabad	Stay granted by High Court, Allahabad
52	138/07	VRS:-Case under section 406,323 & 504	Civil Judge JR GDA,Ghaziabad JM,Ghaziabad	Stay granted by High Court, Allahabad
53	43/03	VRS:- Cheque dishonor Case under section 138 of NI Act	Civil Judge ,KARKARDOOMA court, Delhi	Stay granted pursuant to reference filed before BIFR

### C) Cases Related To Sales, Excise & Income Tax

#### 1) Sales Tax

Sr. No	Particulars	Demand	Pending at	Status
1	Demand raised due to non submission of "C" Form on sale of Cotton Yarn; contested in Appeal. Some "C" Forms(Tax amt. Rs. 1.16 lacs) submitted In Appeal. However the same was rejected & also rejected by Tribunal Ghaziabad.	Total 3.79 lacs out of which 1.9 lac is deposited as per court's Order	Allahbad high court	Appeal is pending before Allahbad high court
2	Entry Tax of Rs. 0.20 lacs on return of DG Spares sent for repair was levied which was contested in Appeal with Commissioner (Appeal) Gzb which was rejected. Fresh Appeal filed in Tribunal Ghaziabad.	0.20 lacs	Tribunal, Ghaziabad	Appeal filed at Tribunal
3	Wrong demand raised by department on A/C of double benefit availed by Co. agt.	2.00	Joint Commissi	Appeal Filed

Sr. No	Particulars	Demand	Pending at	Status
	yarn transferred from HRML to Depots th. Form "F". During the year 2001-2002		oner, Ghaziabad	

## 2) Income tax

Sr. No	Particulars	Demand	Pending at	Status
1	The Gratuity Contribution of Rs. 22,17,500/- was made in an approved fund Through the previous Employer. All the members were members of previous Employer. Company formed its own trust and got it approved from the Income Tax Authorities.	22.17 lacs	Allahabad court	high Department filed appeal against tribunal order which went in our favour

## 3) Excise case: Rs 21.97 Crs

A demand of Rs. 21.97 was raised by Dy. Commissioner (Excise), Ghaziabad relating to the period of Apr'94 to Aug'97 (period before takeover by HRML from DSIL) vide his order dt. 28.02.2001.

- HRML contested said demand of Rs. 21.97 Crores before the Commissioner (Appeal) (Excise) Ghaziabad where the same was rejected vide order. Being aggrieved HRML preferred an appeal with CESTAT, Delhi.

## (ii) DISPUTES BY HINDON RIVER MILLS LIMITED

Sr. No.	Particulars	Amount	Court	Present Status
1	492/05	Workmen applied electrical connection in HRM COLONY Against this HRML initiated case Vs UPPCL	Civil Judge ,Sr Div.Ghaziabad	Stay Granted
2	5440/04	HRML initiated a case against Ex -GM Marketing Mr. Ashok Ghandi For fraud of Rs 9,50000/- ( One truck load of fabric siphoned)	Addl./District Judge,Ghaziabad	Revision filed by GM & case is under evidences.
3	865/06	Cheque Bouncing Case against M/s Shanti Enterprises for Sum of Rs 371365/-	JM,Ghaziabad	Party has obtained stay from Allahabad court

## **5. UNITEX DESIGNS LIMITED**

### **OUTSTANDING LITIGATION PERTAINING TO UNITEX DESIGNS LTD**

#### **Pending Civil Proceedings initiated against the Company**

Civil Case dated 09<sup>th</sup> May, 2008 filed against the Issuer company in the Court of Civil Judge (senior Division), Patiala by Mr. Khushinder Kumar, for mandatory injunction directing the Company to issue new Share Certificates of the Company pursuant to change of name and splitting of the Share certificate due to Scheme of Arrangement and Reconstruction under Section 391 read with Section 394 of the Companies Act, 1956, passed by the Hon'ble High Court Mumbai in 2001.

#### **D). LITIGATIONS/ DISPUTES/ DEFAULTS AGAINST PROMOTER GROUP COMPANIES AND/OR ASSOCIATES OTHER THAN STATED ABOVE**

There are no civil, criminal, statutory or other proceedings/cases pending against the following promoter group companies and/or Associate companies of the Issuer Company.

1. MW Infraholdings Private Limited
2. Raj Infin Private Limited
3. Girija Holdings Private Limited
4. SKG Power Ventures Private Limited
5. Manors Textiles Limited
6. Ennertech Biofuels Limited
7. MW Corps Private Limited
8. Manmade Fabrics Sales & Services Private Limited

#### **Amounts due to small-scale undertakings**

There are no outstanding to small scale undertakings to which the issuer company owes a sum exceeding Rs. 1 Lac which is outstanding more than 30 days.

#### **Material Developments after the Date of the Last Balance Sheet**

The Directors of the company in their opinion hereby state that there is no material development after the date of the last financial statements disclosed in the Letter of Offer which is likely to materially and adversely affect or is likely to affect the trading or profitability of the Company or the value of its assets, or its ability to pay its liabilities within the next twelve months.

## GOVERNMENT APPROVALS

In View of the approvals listed below, M/s. Entegra Limited confirms that it undertake this issue and its current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the offer or continue its business activities. Unless otherwise stated, these approvals are all valid as of date of this Letter of Offer.

### GOVERNMENT APPROVALS/LICENSING ARRANGEMENTS

Nature of Registration/License	Issuing Authority	Registration/License no. and Date
Certificate of Incorporation	Registrar of Companies, Maharashtra	11- 85471 Dated : February 10, 1995
Fresh Certificate of Incorporation with change of Name from Entegra Infrastructures Ltd. to ENTEGRA LIMITED	Registrar of Companies, Maharashtra	L31101MH1995PLC085471 Dated : March 23, 2007
Value Added Tax	Assistant Commissioner of Sales Tax, Jajpur Range, Orissa	21671404772 dated 2 <sup>nd</sup> February 2007 w.e.f. 12 <sup>th</sup> December 2006
Permanent Account Number	Commissioner of Income Tax, Mumbai, Maharashtra	AABCS2087D
Under Section 7(1) 7(2) of the Central Sales Tax Act, 1956	Asst. Commissioner of Sales Tax, Jajpur Range, Orissa	21671404772 dated 2 <sup>nd</sup> February 2007 w.e.f. 12 <sup>th</sup> December 2006
Entry Tax	Assistant Commissioner of Sales Tax, Jajpur Range, Orissa	21671404772 dated 2 <sup>nd</sup> February 2007 w.e.f. 12 <sup>th</sup> December 2006
Importer Exporter Code	Director General of Foreign Trade (DGFT), Ministry of Commerce, Government of India	IEC Code No. 0399068104, Dated : March 30, 2000
Tax Deduction Account Number	Income Tax Department	MUMI05003F
Trading Licence for Iron Ore	Office of the Deputy Director Mines, Bar-bil, Joda Dist., Keonjhar, Orissa	66080/Mines Dated December 22, 2006
Shops & Establishment License	Senior Inspector, Shops & Establishment Act, 1948	CW-II/011077 Dated : December 12, 2006

**The following Applications are filed for approval but are in process /pending with the Government Authorities:**

- ◆ Application for approval of Renewable Energy SEZ near Nagpur in Maharashtra.

**The Company is yet to apply with the Government Authorities for following approvals:**

- ◆ Application for license for Power Trading & Distribution.

The current Rights Issue is not designed to effect any immediate alteration in equity shareholding pattern, which could impact the above requirements. However, at the time of allotment of any equity shares arising from this Rights Issue, the Company will be required to adhere to the then prevailing Guidelines and the terms of approval of the FEMA Act and regulations made there under. This may limit the Company's ability to allot equity shares held by foreign investors beyond their entitlement.



No further consent of the Government of India is required for the present Issue other than those mentioned in the Letter of Offer. It must be distinctly understood that the Government of India / RBI does not take any responsibility for the financial soundness of any scheme or project or for the correctness of any statements made or any opinions expressed with regard to them. The Company can undertake the activities proposed by it in view of the present approvals and no further approvals from any Government Authorities/RBI are required by the Company to undertake the proposed activities.

## **SECTION VI - REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE PRESENT ISSUE**

The Board of Directors at their meeting held on 01/04/2006 have approved the rights issue of equity shares of the Company of Rs 10/- each to the existing holders of equity shares in the ratio of one equity share for every one equity share (i.e. 1:1) held by them on a date to be announced by the Board (Record Date) for a total amount of Rs. 12750.01 lacs. The Special resolution was passed at the Annual General Meeting of the shareholders of the Company held on 25/09/2006 authorizing the Board of the Company to raise capital up to Rs 6000.00 lacs. The Board of Directors at their meeting held on 01/04/2006 have decided to make the following offer to the existing shareholders of the company:

Issue of 5,10,00,078 Equity Shares of Rs. 10/- each at premium of Rs. 15/- aggregating Rs. 12750.01 lacs on rights basis to the existing Equity Shareholders of the Company in the ratio of 1 (One) Equity Share for every 1 (one) Equity Share held on 04/07/2008 (Record Date). The face value of the Equity Share is Rs. 10/- per share and the Issue Price is 2.5 times the face value. The Board of Directors of the Company has approved the Letter of Offer in the board meeting held on 17/06/2008.

### **PROHIBITION BY SEBI**

The Company, its Promoters, Directors or any of the Company's associates or group companies with which the Directors of the Company are associated as Directors or Promoters have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

### **ELIGIBILITY FOR THE ISSUE**

Entegra Limited (EL) is an existing listed Company. It is eligible to offer this Rights Issue in terms of Clause 2.4.1(iv) of the SEBI (DIP) Guidelines, 2000.

The promoters, their relatives, Entegra Limited group companies are not detained as wilful defaulters by RBI/Government authorities and there are no violations of securities laws committed by them in the past or pending against them.

### **DISCLAIMER CLAUSE**

**AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI).**

**"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. LEAD MANAGERS, KEYNOTE CORPORATE SERVICES LIMITED AND ASHIKA CAPITAL LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES IN FORCE FOR THE TIME BEING THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN OFFER DOCUMENT, LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS KEYNOTE CORPORATE SERVICES LIMITED AND ASHIKA CAPITAL LIMITED HAS FURNISHED TO SEBI A**

**DUE DILIGENCE CERTIFICATE DATED FEBRUARY 29,2008 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS 1992 WHICH READS AS FOLLOWS :**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
  - a) THE DRAFT LETTER OF OFFER FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS).**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE CERTIFY THAT REQUIREMENT OF PROMOTER'S CONTRIBUTION UNDER CLAUSE 4.10 {SUB-CLAUSE (a), (b) or (c) } ARE NOT APPLICABLE IN RESPECT OF THE SAID ISSUE.**
- 5. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 6. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**
- 7. WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT, IF ANY, IN THE ISSUE.**

8. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
9. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER :
  - a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND
  - b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

THE PROMOTER / DIRECTOR OF ENTEGRA LIMITED, MR. MUKUL S.KASLIWAL, MR.WARIJ A. KASLIWAL,MR. VIJENDRA K. JAIN, MR. PRABHAKAR L. NENE, MR. AJIT C. KAPADIA,MR. HITEN A. KHATAU, MR. ASHISH S. JALAN, MR. PRADEEP GOYAL , MR. SOLI K. COOPER CONFIRM THAT NO INFORMATION/MATERIAL LIKELY TO HAVE A BEARING ON THE DECISION OF INVESTORS IN RESPECT OF THE SHARES OFFERED IN TERMS OF THE DRAFT LETTER OF OFFER HAS BEEN SUPPRESSED WITHHELD AND / OR INCORPORATED IN THE MANNER THAT WOULD AMOUNT TO MIS-STATEMENT/MISREPRESENTATION AND IN THE EVENT OF ITS TRANSPIRING AT ANY POINT IN TIME TILL ALLOTMENT/REFUND, AS THE CASE MAY BE, THAT ANY INFORMATION/MATERIAL HAS BEEN UPRESSED/WITHHELD AND/ OR AMOUNTS TO A MIS-STATEMENT/MISREPRESENTATION, THE PROMOTERS/DIRECTORS UNDERTAKE TO REFUND THE ENTIRE APPLICATION MONIES TO ALL SUBSCRIBERS WITHIN 7 DAYS THEREAFTER WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 63 OF THE COMPANIES ACT.

#### **CAUTION STATEMENT / DISCLAIMER CLAUSE OF THE ISSUER AND THE LEAD MANAGERS**

The Issuer Company and the Lead Managers accept no responsibility for statements made otherwise than in this Offer Document or in the advertisement or in any other material issued by or at the instance of the Company and the Lead Managers and any one placing reliance on any other source of information would be doing so at his/her/their own risks.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, or any other Trust law and who are under their constitution to hold and invest in shares), Foreign Collaborators and to NRIs, OCBs and FIIs as defined under the Indian laws. This Offer Document does not, however, constitute an offer to sell or an invitation to subscribe to securities issued hereby in any jurisdiction other than India. Any person into whose possession this Offer Document comes is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, State of Maharashtra, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Offer Document has been submitted to the SEBI. Accordingly, the equity shares represented thereby may not be offered or sold, directly or indirectly, and this Offer Document may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Offer Document nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Entegra Limited. since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

## **LISTING**

Presently the Equity shares of Entegra Limited are listed on Bombay Stock Exchange Limited (BSE) (Designated Stock Exchange) and National Stock Exchange. (NSE)

The Company has received in-principle approvals from BSE vide its letter no. DCS/PREF/JA/IP-RT/3629/07-08 dated March 18, 2008 and NSE vide its letter no. NSE/LIST/69498-M dated March 25, 2008 for listing of the equity shares being issued in terms of this Letter of Offer.

If the permissions to deal in and for an official quotation of the equity shares are not granted by the stock exchange, the Company shall forthwith repay, without interest, all monies received from the applicants. In case of delay interest shall be paid in accordance with the provisions of Section 73 of the Act.

### **DISCLAIMER CLAUSE OF THE BOMBAY STOCK EXCHANGE LIMITED (BSE), THE DESIGNATED STOCK EXCHANGE**

Bombay Stock Exchange Limited (the Exchange) has given vide its letter dated March 18, 2008, permission to this Company to use the Exchange's name in this Letter of Offer as one of the Stock Exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The Exchange does not in any manner:

- (i) Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- (ii) Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- (iii) Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein for any other reason whatsoever.

### **DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE, OF INDIA (NSE)**

National Stock Exchange Limited (NSE), has, vide their letter dated March 25, 2008 given permission to the Issuer to use the name of the Exchange in this Letter of Offer as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. NSE has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. NSE does not in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; or take any responsibility for the financial or other soundness of this Issuer, its Promoters, its Management or any scheme or project of this Issuer; and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by NSE. Every person who desires to apply for or otherwise acquires any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE, whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated in the Letter of Offer or any other reason whatsoever.

## **FILING**

A copy of this Letter of Offer has been filed with SEBI, SEBI Bhavan, Plot No. C-4A, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051., Bombay Stock Exchange Ltd., (BSE) (Designated Stock Exchange) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai (BSE) and with National Stock Exchange of India (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of Sub-Section (1) of Section 68A of the Companies Act, 1956 which is reproduced below:

**"Any person who-**

- (a) **makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or**
- (b) **otherwise induces a Company to allot or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."**

## CONSENTS

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to this Issue; and (b) Lead Manager to this Issue, Registrar to this Issue and legal advisors to the Issue to act in their respective capacities have been obtained and filed with Stock Exchanges at the time of filing the Draft Letter of Offer and such consents have not been withdrawn up to the time of delivery of the Letter of Offer for registration with the stock exchanges.

The Auditors of the Company have given their written consent for the inclusion of their Report in the form and content as appearing in this Offer Document and also the tax benefits accruing to the Company and its members and such consents and reports have not been withdrawn up to the time of delivery of the Letter of Offer for registration with the Stock Exchanges.

## EXPERT OPINION

Except as stated elsewhere in this Offer Document, the Company has not obtained any expert opinions.

## EXPENSES OF THE ISSUE

The total expenses of the issue are estimated to be around Rs. 205.00 lacs. All expenses with respect to the issue would be met out of the proceeds of the issue. The split of issue expenses is as under: -

(Rs. in Lacs)

Sr. No.	Particulars	Amount	Total Amount
1	<b>Fees to the intermediaries</b>		
	a. Fees to Lead Managers to the Issue	97.19	
	b. Fees to Registrar to the Issue	6.00	
	c. Fees to SEBI and Stock Exchanges	21.25	
	d. Fees to Legal Advisor the issue	0.56	125.00
2	Printing & Stationery and Postage expenses		40.00
3	Advertisement and other Miscellaneous Expenses		40.00
	<b>Total Amount</b>		<b>205.00</b>

### Fees payable to Lead Managers

The total fees payable to the Lead Managers will be Rs. 97.19 lacs as per the Memorandum of Understanding signed amongst the company and the Lead Managers, a copy of which is available for inspection at the Registered office of Entegra Limited..

### Fees payable to Registrar to the Issue

The total fees payable to the Registrar to the issue will be Rs. 6.00 lacs as per the Memorandum of Understanding signed amongst the company and the Registrar to the issue, a copy of which is available for inspection at the registered office of Entegra Limited.

## Underwriting Commission, Brokerage And Selling Commission

No Underwriting, Brokerage and selling Commission will be payable for this issue.

## Previous Issue Details

The company has not made any public/rights issue of its equity shares during the last five years.

## Issues otherwise than for cash

The Company has not made any issue otherwise than for cash.

## Commission and Brokerage on Previous Issues

The Company has not made any Public / Rights Issue during last five years, hence any commission or brokerage has been paid.

## Promise Vis-A-Vis Performance

### a) Of the Company :

#### Offer for Sale - 1999

The Company came out with an offer for sale held by one of the promoter company of 1,50,00,000 equity shares of Rs.10/- each on for cash at par aggregating to Rs.15,00,00,000/- through the Prospectus dated November 19,1999. The issue was opened on December 14, 1999 and closed on December 20, 1999. The Issue was made with the object to

- Listing of the shares on the BSE & NSE and
- To divest the shares held by offer or company.

No Projections were given in the offer document.

## Outstanding Debentures or Bonds

As on the date of filing of this Letter of Offer, Entegra Limited does not have any Bond Issue.

## Outstanding Preference Shares

As on the date of filing of this Letter of Offer, the Company does not have any outstanding preference shares.

## Stock Market Data for Shares of the Company

The equity shares of the company are listed on The Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange (NSE).

The stock market data for the equity shares on the BSE are as follows

### Preceding 3 Years

Particulars	High			Low			Average Price (Rs.)	Total Volume (no. of shares)
	High (Rs)	Date	Volume on date of high (no of shares)	Low (Rs)	Date	Volume on date of Low (no of shares)		
2005	17.71	20/09/2005	473862	2.79	25/01/2005	19989	10.25	9879157
2006	32.85	01/06/2006	146663	7.46	29/03/2006	14810	20.16	9369230
2007	76.80	18/12/2007	162260	14.05	19/03/2007	23405	45.43	38765213



### 6 Months

Particulars	High			Low			Average Price (Rs.)	Total Volume (no. of shares)
	High (Rs)	Date	Volume on date of high (no of shares)	Low (Rs)	Date	Volume on date of Low (no of shares)		
December 2007	76.80	17/12/2007	405319	55.55	03/12/2007	68341	66.18	4203718
January 2008	75.00	04/01/2008	227283	42.55	23/01/2008	334899	58.79	4315227
February 2008	54.80	07/02/2008	40336	36.90	29/02/2008	98598	45.85	1197662
March 2008	39.65	03/03/2008	45811	21.15	28/03/2008	61881	29.05	1142387
April 2008	35.60	21/04/2008	185216	23.30	07/04/2008	41049	29.45	983827
May 2008	38.40	29/05/2008	187046	27.00	02/05/2008	63399	32.70	2330264

### Week end price of equity Shares of Entegra Limited on the BSE.

Week ended	Price (Rs)
06/06/2008	30.80
13/06/2008	34.80
20/06/2008	32.80
27/06/2008	26.80

The stock market data for the equity shares on the NSE are as follows:

### Preceding 3 Years

Particulars	High			Low			Average Price (Rs.)	Total Volume (no. of shares)
	High (Rs)	Date	Volume on date of high (no of shares)	Low (Rs)	Date	Volume on date of Low (no of shares)		
2005	17.85	20/09/2005	105660	2.80	25/01/2005	29498	10.33	7738731
2006	32.60	01/06/2006	32863	7.60	22/03/2006	11409	20.10	7181360
2007	73.45	14/11/2007	279615	14.80	18/05/2007	14551	44.13	14759950

### 6 Months

Particulars	High			Low			Average Price (Rs.)	Total Volume (no. of shares)
	High (Rs)	Date	Volume on date of high (no of shares)	Low (Rs)	Date	Volume on date of Low (no of shares)		
December 2007	77.00	17/12/2007	129263	56.00	03/12/2007	29362	66.50	1439021
January 2008	75.65	04/01/2008	77511	42.45	23/01/2008	53647	59.05	1442122
February 2008	54.95	07/02/2008	21239	36.85	29/02/2008	21062	45.90	323723
March 2008	37.00	03/03/2008	10287	20.60	28/03/2008	122667	28.80	633083
April 2008	35.85	21/04/2008	84072	23.20	07/04/2008	21742	29.53	577627
May 2008	38.90	29/05/2008	95468	27.00	08/05/2008	44373	32.95	930360

### Week end price of equity Shares of Entegra Limited on the NSE.

Week ended	Price (Rs)
06/06/2008	30.55
13/06/2008	35.30
20/06/2008	32.65
27/06/2008	27.15



The market price of the equity shares of the company as on June 17, 2008 the date on which the board of Directors approved this Letter of Offer was Rs. 36.00 (BSE) and Rs. 35.90 (NSE)

- The equity shares of the company were in no delivery period from to 26/06/2008 to 03/07/2008
- The cum-rights closing price of the shares of the company as on 25/06/2008 was Rs. 28.85 on BSE and Rs. 29.30 on NSE
- The ex-rights closing price of the shares of the company as on 26/06/2008 was Rs. 28.20 on BSE and Rs. 28.55 on NSE.

### Working Results

Information relating to the Company sales, gross profit etc., as required by the Ministry of Finance Circular No.F2/5/SE/ 76 dated February 5, 1977 read with the amendments of even no. dated March 8, 1977 is as under:

The Unaudited working results of the Company for the period from 01-02-2008 to 31-05-2008 are given hereunder:

Particulars	For the period
	Feb to May 2008
Sales / Income from operations	4,574.19
Other Income	353.32
Total Income	4,927.51
Purchase	4,546.17
Staff Cost	27.29
Other Exps.	77.76
Interest	(64.57)
Depreciation	1.54
Profit Before Tax	339.32
Provision for taxation	33.11
Net Profit	306.21
Paid-up Equity Share Capital	5,100.01
EPS	0.60

### INVESTOR GRIEVANCE REDRESSAL SYSTEM

The investor grievances against the Company will be handled by the Registrars and Transfer Agent in consultation with the secretarial department of the Company. To handle the grievances received, the Company has appointed Ms. Rekha Jagdale as the Compliance Officer. She will supervise redressal of complaints received from the investors at the office of the Company as well as the Registrars to the Rights Issue and ensure timely settlement.

All grievances related to the offer may be addressed to the Registrar to the Rights Issue quoting the application No. (Including prefix), Number of equity shares applied for, amount paid on application, date, Bank and branch/ Collection center where application was submitted.

The normal time taken by Entegra Limited for redressal of investor grievance is given below:-

Sr .No	Type of Request	Normal Time Taken (No of Days)
1	Procedure for Issue of Duplicate Share Certificate	7-10
2.	Non-receipt of Transfer of Shares	7-10
3.	Procedure for transmission of shares	7-10
4.	Non receipt of demat/ remat shares	7-10
5.	Non receipt of dividend	7-10
6.	Non receipt of Annual Report	7-10
7.	Change of residual Address/Bank Mandate	7-10
8.	Non receipt of consolidation/split of share certificates	7-10

**Change in Auditors**

There has been no change in the Auditors of the company during the past three years.

**Capitalization of Reserves or Profits**

The company has not capitalized its reserves or profit during the last five years.

**Revaluation of Assets**

The company has not revalued its asset during the last five years.

## SECTION VII - OFFERING INFORMATION

### A. TERMS OF THE ISSUE

The Equity Shares now being offered are subject to the provisions of the Act and the terms and conditions of this Letter of Offer, the CAF, the Memorandum and Articles of Association of the Company, the approvals from the Government of India, FIPB and RBI, if applicable, the provisions of the Act, guidelines issued by SEBI, guidelines, notifications and regulations for issue of capital and for listing of securities issued by Government of India and/or other statutory authorities and bodies from time to time, Listing Agreements entered into by the Company with Stock Exchanges, terms and conditions as stipulated in the allotment advice or letter of allotment or Security Certificate and rules as may be applicable and introduced from time to time, the FEMA and the Letters of Allotment/Equity Shares to be issued. Over and above such terms and conditions, the Equity Shares shall also be subject to applicable laws, guidelines, notifications, and regulations relating to issue of capital and listing of securities issued from time to time by SEBI, the Government of India, RBI and or other authorities.

#### **Ranking of equity shares**

The new Equity Shares proposed to be issued shall rank in all respects pari-passu with existing fully paid up Equity Shares.

#### **Mode of payment of dividend**

The dividend is paid to all the eligible shareholders as per the provisions of Companies Act.

#### **Face value & issue price**

The Face Value of Equity Shares of the company is Rs.10/-. The Equity Shares are being issued at Rs. 25/- each including premium of Rs.15/- per equity share in the present rights issue.

#### **Rights of equity shareholders**

The Shareholders are entitled to receive dividend, as and when declared and bonus and rights shares, as and when issued. Further, the rights of the above and other holders of shares are subject to the provisions of the Companies Act, 1956, the Memorandum and the Articles of Association of the Company, the terms of this Letter of Offer and other laws as applicable from time to time.

#### **Market lot**

The market lot for the Equity Shares held in the demat mode is one share. In case of physical certificate, the Company would issue one certificate for the Equity Shares allotted to one person ("Consolidated Certificate"). In respect of consolidated certificate, the Company will, only upon request from the equity shareholder, split & return such consolidated certificate into smaller denomination within 7 days time in conformity with the clause 3 of the Listing Agreement. No fee would be charged by the Company for splitting the consolidated certificate.

#### **Nomination**

In terms of Section 109A of the Act, nomination facility is available in case of Equity Shares. The applicant can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

The sole Equity Shareholder or first Equity Shareholder, along with other joint Equity Shareholders (being individual(s)) may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. Person(s), being a nominee, becoming entitled to the Equity Shares by reason of the death of the original

Equity Shareholder(s), shall be entitled to the same rights to which he would be entitled if he/she were the registered holder of the Equity Shares. Where the nominee is a minor, the Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale/disposal of the Equity Share by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When two or more persons hold the Equity Share(s), the nominee shall become entitled to receive the shares only on the demise of all the holders.

Fresh nominations can be made only in the prescribed form available on request at the Registered office of the Company located at S. Kumars House, Plot No- 60, Street No. 14, Phase II, MIDC Marol, Andheri (E), Mumbai-400 -093 or such other place at such addresses as may be notified by the Company. The applicant can make the nomination by filling in the relevant portion in the CAF. Only one nomination would be applicable for one folio. Hence, in case the shareholder(s) has (have) already registered the nomination with the Company, no further nomination need to be made for Equity Shares to be allotted in this Issue under the same folio.

**In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant of the applicant would prevail. If the applicant requires to change the nomination, they are requested to inform their respective Depository Participant.**

#### **Minimum subscription**

- i) If the Company does not receive the minimum subscription of 90% of the issue, the entire subscription shall be refunded to the applicants within forty two days from the date of closure of the Issue.
- ii) If there is a delay in the refund of subscription by more than 8 days after the Company becomes liable to pay the subscription amount (i.e. forty two days after closure of the issue), the Company shall pay interest for the delayed period at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

#### **Disposal of odd lots**

The Company has not made any arrangements for the disposal of odd lot Equity Shares arising out of this Issue. The Company will issue certificates of denomination equal to the number of Equity Shares being allotted to the Equity Shareholder.

#### **Restrictions on transfer and transmission of shares and on their consolidation/ splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this issue.

## **ISSUE PROCEDURE**

### **BASIS OF THE OFFER**

The Equity Shares are being offered for subscription for cash to those existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the depositories in respect of the Equity Shares held in the electronic form and on the Register of Members of the Company in respect of Equity Shares held in the physical form at the close of business hours on the Record Date. The Company has in consultation with the Designated Stock Exchange fixed the Record Date for determining the shareholders who are entitled to receive this offer for Equity Shares on a rights basis. The Equity Shares are being offered for subscription in the ratio of one equity share for every one equity share held by the Equity Shareholders. The shareholders whose names appear as beneficial owners as per the list furnished by the depositories in respect of the Equity Shares held in electronic form and on the register of members of the Company in respect of the shares held in physical form on 04/07/2008 (record date) at the close of business hours shall be entitled to the Equity Shares on the Rights basis in the ratio of one equity shares for every one equity share held by them.

### **OPTION TO SUBSCRIBE**

Applicants to the Equity Shares of the Company issued through this Rights Issue shall be allotted the securities in dematerialized (electronic) form at the option of the applicant. The Company has signed a tripartite agreement with National Securities Depository Limited (NSDL) and Bigshare Services Private Limited on 29/09/1999 and with Central Depository Services (India) Limited (CDSL) and Bigshare Services Private Limited on 29/02/2000, which enables the Investors to hold and trade in securities in a dematerialized form, instead of holding the securities in the form of physical certificates.

### **RIGHTS ENTITLEMENT**

As your name appears as beneficial owner in respect of the shares held in the electronic form or appears in the register of members as an equity shareholder of the Company on the Record Date, you are entitled to this Rights Offer. The number of Equity Shares to which you are entitled is shown in Block I of Part A of the enclosed CAF and as shown in part A of the enclosed CAF.

### **FRACTIONAL ENTITLEMENT**

On applying the rights ratio the rights entitlement may lead to fractional entitlement to some of the shareholders. In such an event the fractional entitlement will be rounded off to the next higher integer. The additional entitlement shall be made available out of the entitlement of one of the promoters. The adjustment will be made in the composite application form so as to ensure the allocation is made within the issue size.

### **JOINT-HOLDERS**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed (so far as the company is concerned) to hold the same as joint-holders with benefits of survivorship subject to provisions contained in the Articles.

### **OFFER TO NON-RESIDENT EQUITY SHAREHOLDERS/ APPLICANTS**

Applications received from NRIs and other NR shareholders for allotment of Equity Shares shall be, inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of application moneys, allotment of Equity Shares, issue of Letter of Allotment / share certificates, payment of interest, dividends, etc. General permission has been granted to any person resident outside India to apply shares offered on rights basis by an Indian Company in terms of FEMA and the rules and regulations there under. Vide notification dated June 18, 2003, bearing number FEMA 94/2003, RBI has granted general permission to Indian companies to issue rights/bonus shares to existing non-resident shareholders. The existing non-resident shareholders may apply for issue of additional shares and the

Company may allot the same subject to the condition that the overall issue of shares to non-residents in the total paid up capital does not exceed the sectoral cap. In other words, non-residents may subscribe for additional shares over and above shares offered on rights basis by the company and renounce the shares offered in full or part thereof in favour of a person named by them. Residents may subscribe for additional shares over and above the shares offered on rights basis by the Company and also renounce the shares offered either in full or part thereof in favour of a person named by them. The Equity Shares issued under the Rights Issue and purchased by NR shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the previously held Equity Shares against which Equity Shares under the Rights Issue are issued.

However, as per the provisions of AP DIR circular No. 14 dated September 16, 2003 (issued by the RBI), such shareholders who have been allotted the Equity Shares as OCBs would not be permitted to participate in the Rights Issue. Accordingly, shareholders/ applicants who are OCBs and wishing to participate in the Rights Issue would be required to submit approvals in relation thereto from the FIPB and the RBI. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Equity Shares, payment of dividend etc. to the Equity Shareholders who are NR.

## **NOTICES**

All notices to the Equity Shareholder(s) required to be given by the Company shall be published in one English national daily with wide circulation, one Hindi national daily with wide circulation and/or, will be sent by ordinary post to the registered holders of the Equity Share(s) from time to time.

## **ISSUE OF DUPLICATE EQUITY SHARE CERTIFICATE**

If any Equity Share Certificate(s) is/are mutilated or defaced or the pages for recording transfers of Equity Shares are fully utilized, the Company against the surrender of such Certificate(s) may replace the same, provided that the same will be replaced as aforesaid only if the Certificate numbers and the Distinctive numbers are legible.

If any Equity Share Certificate(s) is/are destroyed, stolen, lost or misplaced, then upon production of proof thereof to the satisfaction of the Company and upon furnishing such indemnity/ surety and/or such other documents as the Company may deem adequate, duplicate Equity Share Certificate(s) shall be issued.

## **OPTIONS AVAILABLE TO THE EQUITY SHAREHOLDERS**

The Equity Shareholders will be having the following five options:

- Apply for his entitlement in part
- Apply for his entitlement in part and renounce the other part
- Renounce his entire entitlement
- Apply for his entitlement in full
- Apply for his entitlement in full and apply for additional Equity Shares

## **HOW TO APPLY**

### **For Resident Indian Shareholders**

Application should be made only on the enclosed CAF provided by the Company. The enclosed CAF should be completed in all respects, as explained in the instructions indicated in the CAF. Applications will not be accepted by the Lead Managers or by the Registrar to the Issue or by the Company at any offices except in the case of postal applications as per instructions given in the Letter of Offer. Payment should be made in cash (not more than Rs.20,000/-) or by cheque/bank draft/ drawn on any bank

(including a co-operative bank) which is situated at and is a member or a sub-member of the bankers clearing house located at the centre where the CAF is submitted and which is participating in the clearing at the time of submission of the application. Outstation cheques/money orders/postal orders will not be accepted and CAFs accompanied by such cheques/money orders/postal orders are liable to be rejected.

### **For Non-Resident Shareholders**

Applications received from the Non-Resident Equity Shareholders for the allotment of Equity Shares shall, *inter alia*, be subject to the conditions as may be imposed from time to time by the RBI, in the matter of refund of application moneys, allotment of Equity Shares, issue of letters of allotment/certificates/payment of dividends etc. Letter of Offer and CAF shall be dispatched to non-resident Equity Shareholders in India only.

### **For applicants residing at places other than designated Bank collecting branches.**

Applicants residing at places other than the cities where the Bank collection centres have been opened should send their completed CAF by registered post/speed post to the Registrars to the Issue, Bigshare Services Private Limited along with demand drafts, net of demand draft and postal charges, payable at Mumbai in favour of **"Entegra Limited - Rights Issue"** crossed "A/c Payee only" so that the same are received on or before closure of the Issue i.e. **August 22, 2008**.

The Company will not be liable for any postal delays and applications received through mail after the closure of the Issue are liable to be rejected and returned to the applicants. Applications by mail should not be sent in any other manner except as mentioned below.

**All application forms duly completed together with cash/cheque/demand draft for the application money must be submitted before the close of the subscription list to the Bankers to the Issue named herein or to any of its branches mentioned on the reverse of the CAF. The CAF along with application money must not be sent to the Company or the Lead Manager to the Issue or the Registrar to the Issue except as mentioned above. The applications are required to strictly adhere to these instructions. Failure to do so could result in the application being liable to be rejected by the Company, the Lead Manager and the Registrar not having any liabilities to such applicants.**

### **The CAF consists of four parts:**

- Part A: Form for accepting the Equity Shares offered and for applying for additional Equity Shares
- Part B: Form for renunciation
- Part C: Form for application for renounces
- Part D: Form for request for split application forms

You may exercise any one of the following options with regard to the Equity Shares offered to you, using the enclosed CAF:

<b>Sr. No</b>	<b>Options available</b>	<b>Action Required</b>
1.	Accept whole or part of the Equity Shares offered to you without renouncing the balance	Fill in and sign Part A indicating in Block III of Part A the number of Equity Shares accepted. If you accept all the equity share offered in Block II of Part A you may apply for additional Equity Shares. Indicate in Block IV the additional Equity Shares applied for.
2.	Renounce all the Equity Shares offered to you to one person (joint are deemed as one person) without your applying for any of the Equity Shares offered to you.	Fill in and sign Part B indicating the number of Equity Shares renounced in Block VII and handover the ENTIRE FORM to the renounce. The renounce/ joint (s) must fill in and sign Part C of CAF.



Sr. No	Options available	Action Required
3.	Accept a part of your entitlement and renounce the balance or part of it to one or more (s).	Fill in and sign Part D for the Split Form and send the ENTIRE CAF to the Registrar to the Issue.
	<b>OR</b>	On receipt of Split Forms :
4.	Renounce your entitlement or part of it to one or more persons (joint renounces are deemed as one person).	a For the Equity Shares you are accepting, fill in and sign Part A. b For the Equity Shares you are renouncing fill in and sign Part B indicating the number of Equity Shares renounced in Block VII. Each of the renounces should fill in and sign Part C.

Note: If application is made jointly with any other person(s) who is/are not already joint holders or change in the sequence of names of joint holders, it will amount to renunciation and the procedure mentioned in (2) above will have to be followed.

### Acceptance of Offer

You may accept the Offer and apply for the Equity Shares offered, either in full or in part by filling Block III of Part A of the enclosed CAF and submit the same along with the application money payable to the bankers to the Issue or any of the branches as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board thereof in this regard. Applicants at centers not covered by the branches of collecting banks can send their CAF together with the demand draft, net of demand draft and postal charges, payable at Mumbai to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected.

You may apply for the Equity Shares offered wholly or in part by filling in the enclosed CAF and submitting the same along with the application money to the Bankers to the Issue or its designated branches on or before the closure of the subscription list. The CAF should be complete in all respects, as explained in the INSTRUCTIONS indicated in the CAF. The CAF should not be detached under any circumstances, otherwise the application(s) will be rejected forthwith.

### Application for additional Equity Shares

You are also eligible to apply for additional Equity Shares over and above the number of Equity Shares offered to you provided you have applied for all the shares offered to you without renouncing them in full or in part. However, the additional Equity Shares cannot be renounced in full or in part, in favour of any other person(s).

If you desire to apply for additional Equity Shares, you may fill in the number of additional Equity Shares in Part A of the CAF. The allotment of additional Equity Shares will be at the sole discretion of the Board on an equitable basis with reference to the number of Equity Shares held by you on the Record Date in consultation with The Designated Stock Exchange. In the case of requests for additional Equity Shares by Non Residents, the allotment will be subject to the approval of Reserve Bank of India. The Board may reject any application for additional Equity Shares without assigning any reasons thereof. The renounces can also make an application for additional shares.

### Renunciation

You may renounce all or any of the Equity Shares, you are entitled to in favour of any individual, limited companies, or statutory corporations / institutions. However renunciation in favour of more than three persons as joint holders, trust or society (unless the same is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is under its constitution to hold shares in a company), OCBs, minors (unless acting through natural or legal guardians), Partnership Firms, or their nominees, or any of them will not be accepted.



Any renunciation from Resident(s) to Non- Resident(s) is subject to the renounce(s)/ renounce(s) obtaining requisite approval(s) of the Reserve Bank of India (RBI) and the said permission must be attached to the CAF.

### **Procedure for renunciation**

#### **(i) To Renounce in WHOLE**

If you wish to renounce this offer in whole, please complete PART 'B' of the CAF enclosed with the Letter of Offer for the number of Equity Shares renounced and deliver the CAF duly signed to the person(s) in whose favour the Equity Shares are so renounced. All joint holders must sign as per specimen signatures recorded with the Company at the place provided for the purpose and in the same order.

The person(s), in whose favour the offer has been renounced (renounces) should complete and sign PART C of the CAF. In case of joint renounces, all joint renounces must sign.

#### **(ii) To Renounce in PART**

If you wish to either accept this offer in part and renounce the balance of this offer the CAF must first be split into the requisite number of forms, by applying to the Registrar to the Issue. Please indicate your requirement of split forms in the space provided for this purpose in PART D of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on or before the last date for receiving request for split forms i.e. **August 07, 2008**.

If you wish to apply for Equity Shares jointly with any person(s) who is/are not already joint holder(s) with you, then it would amount to renunciation and the procedure of renunciation as mentioned above shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure as stated above shall have to be followed.

Further, this right of renunciation is subject to the express condition that the Board shall be entitled in its absolute and unqualified discretion to reject any such request for allotment of Equity Shares from (s) without assigning any reason thereof save where the Equity Shares have been renounced in favour of a person who is already a member of the Company.

### **Please note that:**

- a) Part A of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid.
- b) Only the person to whom this Letter of Offer has been addressed and NOT the shall be entitled to split forms. Forms once split cannot be resplit.

### **Request for split forms:**

- Request for Split Forms should be addressed to the Registrar to the Issue so as to reach them on or before the last date for receiving of request for split forms by filling in PART D of the CAF.
- Request for Split Forms will be entertained only once.

### **Availability of duplicate CAF**

In case the original CAF is not received, or is misplaced by the applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the applicant who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within 15 days from the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found

subsequently. If the applicant violates any of these requirements, he / she shall face the risk of rejection of both the applications as well as forfeiture of amounts remitted along with the applications.

### Application on Plain Paper

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Rights Issue on plain paper, along with a Demand Draft payable at Mumbai which should be drawn in favour of “**Entegra Limited- Rights Issue**” crossed A/c Payee Only and send the same by registered post directly to the Registrar to the Issue.

The application on plain paper, duly signed by the applicants including joint holders, in the same order as per specimen recorded with the Company, must reach the office of the Registrar to the Issue before the Issue Closing Date i.e.; **August 22, 2008** and should contain the following particulars:

- Name of Issuer, being Entegra Limited.
- Name and address of the Equity Shareholder including joint holders
- Registered Folio Number/ DP and Client ID no.
- Number of shares held as on 04/07/2008 (Record Date).
- Certificate numbers and distinctive numbers, if held in physical form
- Number of Rights Equity Shares entitled
- Number of Rights Equity Shares applied for out of entitlement
- Number of additional Equity Shares applied for, if any
- Total number of Equity Shares applied for
- Total amount paid at the rate of Rs. 25/-per Equity Share
- Particulars of cheque/draft
- Savings/Current Account Number and name and address of the Bank where the Equity Shareholder will be depositing the refund order
- Each of the applicant should mention his/her Permanent Account Number (PAN) allotted under the IT Act.
- In case of Non-Resident shareholders, NRE/FCNR/NRO Account No., name and address of the bank and branch.
- Signature of Equity Shareholders to appear in the same sequence and order as they appear in the records of the Company
- Payment in such cases, should be through a demand draft, net of demand draft and postal charges, payable at Mumbai be drawn in favour of “**Entegra Limited - Rights Issue**” crossed “A/c Payee only”.

Please note that those who are making the application on plain paper shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the applicant violates any of these requirements, he/she shall face the risk of rejection of both the applications as well as forfeiture of amounts remitted along with the applications. The Company shall refund such application amount to the applicant without any interest thereon.

### Quoting of PAN/GIR no. in the application forms

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction with effect from July 2, 2007. Each of the applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that applicants should not mention the GIR number instead of the PAN, as the application is liable to be rejected on this ground.

### **Last date for submission of CAF**

The last date for receipt of CAF by the Bankers to the Issue together with the amount payable on application is **August 22, 2008**. If the relevant CAF together with amount payable there under is not received by the Bankers/Registrar to the Issue on or before the close of banking hours on the aforesaid last date the offer contained in this Letter of Offer shall be deemed to have been declined and the Board shall be at liberty to dispose of the Equity Shares hereby offered as provided under "Basis of Allotment".

### **Incomplete application**

CAFs which are not complete or are not accompanied with the application money amount payable are liable to be rejected.

### **TERMS OF PAYMENT**

The entire amount of Rs. 25/- per share is payable on application by all shareholders/applicants.

### **MODE OF PAYMENT**

#### **For Resident Shareholders/Applicants**

Payment(s) must be made by cheque/demand draft and drawn on any bank (including a co-operative bank) which is situated at and is a member or a sub-member of the Bankers' Clearing House located at the centre where the CAF is submitted. A separate cheque/draft must accompany each CAF. Only one mode of payment should be used. Money orders, postal orders and outstation cheques will not be accepted and applications accompanied by any such instruments will be rejected.

Shareholders/Applicants residing at places other than those mentioned in the CAF and applicants who wish to send their applications but not having collection centres should send their application by Registered Post, ONLY to the Registrar to the Issue enclosing a demand draft drawn on a clearing Bank and payable at Mumbai ONLY net of bank charges and postal charges, before the closure of the issue.

Such cheque/drafts should be payable to "**Entegra Limited - Rights Issue**". All cheques/ drafts must be crossed 'A/c Payee only'. No receipt will be issued for the application money received. However, the Collection Centre receiving the application will acknowledge receipt of the application by stamping and returning the acknowledgement slip at the bottom of each CAF. The Company is not responsible for any postal delay/ loss in transit on this account.

#### **For Non-Resident Shareholders/Applicants**

As regards the application by non-resident equity shareholders, the following further conditions shall apply:

#### **Application with repatriation benefits**

Payment by NRIs/ FIIs/ foreign investors must be made by demand draft/cheque payable at Mumbai or funds remitted from abroad in any of the following ways:

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
- By cheque / draft on a Non-Resident External Account (NRE) or FCNR Account maintained in Mumbai; or
- By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable in Mumbai; or
- FIIs registered with SEBI must remit funds from special non-resident rupee deposit account.

All cheques/drafts submitted by non-residents applying on repatriable basis should be drawn in favour of **"Entegra Limited - Rights Issue - NR"** payable at Mumbai and crossed 'A/c Payee only' for the amount payable.

A separate cheque or bank draft must accompany each application form. Applicants may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. In the absence of the above the application shall be considered incomplete and is liable to be rejected.

In the case of NRIs who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRIs who remit their application money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in US Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. The Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into US Dollars or for collection charges charged by the applicant's Bankers.

### **Application without repatriation benefits**

As far as non-residents holding shares on non-repatriation basis is concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in Mumbai or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the allotment of Equity Shares will be on non-repatriation basis.

All cheques/drafts submitted by non-residents applying on non-repatriation basis should be drawn in favour of **"Entegra Limited - Rights Issue"** payable at Mumbai and must be crossed 'A/c Payee only' for the amount payable. The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

If the payment is made by a draft purchased from an NRO account, an Account Debit Certificate from the bank issuing the draft, confirming that the draft has been issued by debiting the NRO account, should be enclosed with the CAF. In the absence of the above, the application shall be considered incomplete and is liable to be rejected.

New demat account shall be opened for holders who have had a change in status from resident Indian to NRI.

### **Note:**

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to Income Tax Act, 1961.
- In case Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such allotment, remittance and subject to necessary approvals.

**Application will not be accepted by the Lead Manager or by the Company.**

#### **Note on cash payment (section 269 SS)**

Having regard to the provisions of Section 269 SS of the Income Tax Act, 1961, subscriptions against applications for securities should not be effected in cash and must be effected only by 'Account Payee' cheques or 'Account Payee' bank drafts, if the amount payable is Rs. 20,000/- or more. In case payment is effected in contravention of this provision, the application is liable to be rejected.

#### **FORFEITURE**

The allotment shall be made only on receipt of full application money as mentioned in "Terms of Payment". As such there will be no partly paid-up shares emerging from this issue and hence no requirement of any forfeiture.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications under Power of Attorney or by Limited Companies or Bodies Corporate or Societies registered under the applicable laws, a certified copy of the Power of Attorney or the relevant authority, as the case may be, along with the certified copy of the Memorandum and Articles of Association or Bye-laws, as the case may be, must be lodged separately by registered post at the office of the Registrar to the Issue simultaneously with the submission of the CAF, indicating the serial number of the CAF and the name of the bank and the branch office where the application is submitted within 10 days of closure of the offer, failing which the application is liable to be rejected. In case the Power of Attorney is already registered with the Company, then the same need not be furnished again. However, the serial number of the Registration under which the Power of Attorney has been registered with the Company must be mentioned below the signature of the Applicant.

#### **BANK DETAILS OF THE APPLICANT**

The applicant must fill in the relevant column in the CAF giving particulars of Savings Bank/Current Account Number and the name of the Bank with whom such accounts is held, to enable the Registrar to the Issue to print the said details in the Refund Orders, if any, after the name of the payees. **Please note that provision of Bank Account details has now been made mandatory and applications not containing such details are liable to be rejected.**

#### **APPLICATION NUMBER ON THE CHEQUE/DEMAND DRAFT**

To avoid any misuse of instruments, the applicants are advised to write the application number and name of the first applicant on the reverse of the cheque / demand draft.

#### **GROUND FOR TECHNICAL REJECTIONS**

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

- ☞ Amount paid does not tally with the amount payable for;
- ☞ In case of physical shareholders, bank account details (for refund) are not given;
- ☞ Age of first applicant not given in case of (s);
- ☞ PAN not stated. See the section titled "Issue Procedure – Permanent Account Number or PAN/ GIR;
- ☞ Cash applications for an amount exceeding Rs.20,000/-;
- ☞ In case of Application under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;
- ☞ If the signature of the existing shareholder does not match with the one given on the Application Form and for renounces if the signature does not match with the records available with their depositories;
- ☞ If the Applicant desires to have shares in electronic form, but the CAF does not have the Applicant's depository account details;

- ☞ CAFs are not submitted by the Applicants within the time prescribed as per the CAF and the Letter of Offer;
- ☞ Applications not duly signed by the sole/joint Applicants;
- ☞ Applications by OCBs unless accompanied by specific approval from the RBI permitting the OCBs to invest in the Issue;
- ☞ In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- ☞ Applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and where last available address in India has not been provided;
- ☞ Multiple applications.

## GENERAL

- (a) All applications should be made on the printed CAF provided by the Company and should be complete in all respects. Applications which are not complete in all respects or are made otherwise than as herein provided or not accompanied by proper application money in respect thereof will be refunded without interest.
- (b) Please read the instructions in the enclosed CAF carefully.
- (c) **ALL COMMUNICATIONS IN CONNECTION WITH YOUR APPLICATION FOR THE EQUITY SHARES INCLUDING ANY CHANGE IN YOUR REGISTERED ADDRESS SHOULD BE ADDRESSED TO THE REGISTRAR TO THE ISSUE.**
- (d) Application Forms must be filled in ENGLISH in BLOCK LETTERS.
- (e) Signatures should be either in English or Hindi or the languages specified in the Eighth Schedule to the Constitution of India. Signatures other than in the aforementioned languages or thumb impressions must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal.
- (f) In case of Joint Holders, all joint holders must sign the relevant parts of the Application Form in the same order and as per the specimen signatures recorded with the Company.
- (g) In case of joint applicants, refunds and all payments will be made to the person whose name appears first on the application form and all communications will be addressed to him/her. To prevent any fraudulent encashment of refund orders by third parties, the Sole/First Applicant must indicate Saving / Current Account number and the name of the bank and its branch with whom such account is held in the space provided in the CAF for the purpose so that Refund Orders are printed with these details after the name. Applications without this information are liable to be rejected.
- (h) The Application Form should be presented to the Bank in its entirety. If any of the Part(s) A,B,C and D of the Application Form(s) is /are detached or separated, such application will forthwith be rejected.
- (i) All shareholders must submit the CAF along with remittance only to the Bankers to the Issue mentioned elsewhere in this Letter of Offer and not to the Company, the Registrar or the Lead Manager.
- (j) Any dispute or suit action or proceedings arising out of or in relation to this Letter of Offer or in respect of any matter or thing herein contained and claimed by either party against the other shall be instituted or adjudicated upon or decided solely by the appropriate Court where Registered Office of the Company is situated.
- (k) The last date for receipt of CAF along with the amount payable is **August 22, 2008**. However, the Board will have the right to extend the same for such period as it may determine from time to time, but not exceeding 60 days from the date of opening of the subscription list. If the CAF together with the amount payable there under is not received by the bankers to the issue on or before the closure of the banking hours on the aforesaid date, or such date as may be extended by the Board, the offer contained in this Letter of Offer shall be deemed to have been declined and the Board shall be at liberty to dispose the Rights hereby offered.

*For further instructions please read CAF carefully.*



## DEMATERIALIZATION

As per the provisions of the Depositories Act, 1996, the shares of a body corporate may be held in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. The equity shares of Entegra Limited are traded in the demat segment. The Company has entered into a tripartite agreement dated 29/09/1999 with the National Securities Depository Ltd. (NSDL) and Bigshare Services Private Limited Ltd for dematerialization of the equity shares of the Company. The Company has also entered into a tripartite agreement dated 29/02/2000 with the Central Depository Services Limited (CDSL) and Bigshare Services Private Limited for of the equity shares of the Company. The ISIN No. granted to the equity shares of the Company is INE826A01028 .

An applicant has the option to seek allotment in physical or demat mode. An applicant who seeks allotment in demat mode must have at least one Beneficiary Account with any of the Depository Participants (DP) of NSDL or CDSL registered with SEBI, prior to the application. Such applicants must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's ID Number) appearing under the head "Request for shares in electronic form" in the CAF.

**Applicant must indicate in the CAF, the number of shares they wish to receive in electronic form out of the total number of equity shares applied for. In case of partial allotment, shares will first be allotted in electronic form and the balance, if any, will be allotted in physical form.**

Names in the CAF should be identical to those appearing in the account details in the Depository. In case of joint holders, the name should necessarily be in the same sequence as they appear in the account details in the Depository.

No separate application for demat and physical shares is to be made. If such applications are made the application for physical shares will be treated as multiple applications and rejected accordingly. It may be noted that electronic shares can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL.

Non-transferable allotment letters/ refund orders will be directly sent to the applicant by the Registrar to the Issue

The applicant is responsible for the correctness of the applicants' demographic details given in the share application form vis-à-vis those with his/her DP. Equity shares allotted in demat mode will be credited directly to the respective Beneficiary Account.

## DISPOSAL OF APPLICATION AND APPLICATION MONEY

The Board reserves the right to reject applications in case the application concerned is not made in terms of this Letter of Offer. In case an application is rejected in full the whole of the application money received will be refunded to the first named applicant and where an application is rejected in part, the excess application money will be refunded to the first named applicant within 6 weeks from the date of closure of the subscription list in accordance with Section 73 of the Act. If there is delay of refund of application money by more than 8 days after the Company becomes liable to pay (i.e. forty-two days after the closure of Issue), the Company will pay interest for the delayed period at the rate prescribed under sub-Section (2) and (2A) of Section 73 of the Act.

The subscription monies received in respect of this Issue will be kept in a separate bank account and the Company will not have access to nor appropriate the funds until it has satisfied the Stock Exchange with suitable documentary evidence that minimum subscription of 90% of the application money for the Issue has been received.

No acknowledgment will be issued for the application monies received by the Company. However, the Bankers to the Issue at its collection branches to the Issue receiving the CAF as applicable as per the terms

of this Letter of Offer, will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. Except for the reasons stated under "Grounds for Technical Rejections" on page 169 of this Letter of Offer and subject to valid application, acknowledgement of receipt of application money given by the collection agent shall be valid and binding on issuer and other persons connected with the Issue.

## **BASIS OF ALLOTMENT**

In the event of the issue being oversubscribed, the basis of allotment will be made only within the overall size of the Rights Issue, as stated in the Letter of Offer and the Board will proceed to allot the Equity Shares in consultation with the designated stock exchange in the following order of priority:

1. Full allotment to the Shareholders who have applied for their Rights entitlement, either in full or in part and also the (s) who have applied for Equity Shares renounced in their favour either in full or in part (subject to the other provisions contained under the paragraph titled "Renunciation").
2. Allotment to the shareholders who have applied for additional Equity Shares provided that they have applied for all the Equity Shares offered to them, provided there is a surplus after making full allotment under (1) above. The allotment of such additional Equity Shares will be made as far as possible on the basis of the Equity Shares held as on the Record Date.
3. Allotment to the renounces who have applied for all the Equity Shares renounced in their favour and have applied for additional Equity Shares, as the Board may in its absolute discretion deem fit, provided there is a surplus after making full allotment (1) and (2) above.
4. Allotment to any other person as the Board may in their absolute discretion deem fit, provided there is a surplus after making full allotment under (1), (2), (3) above.

The issue will become undersubscribed after considering the number of shares applied as per the entitlement plus additional shares. The undersubscribed portion can be applied for only after the close of the Issue.

The promoters/directors/associates/promoter group intend to subscribe to their rights entitlement as well as the entire undersubscribed portion from public and/or foreign collaborator, if any, in this rights issue in full. Presuming no subscription is received from other shareholders and the promoters/directors/associates/promoter group subscribing to the entire unsubscribed portion, their shareholding shall increase to 75.02 % of the post rights issue equity capital of the Company. As a result of this subscription and consequent allotment, the promoters/ directors/ associates may acquire shares over and above their entitlement in the issue which may result in their shareholding in the company being above their current holding. This subscription and acquisition of additional equity shares by the Promoter/Directors/Associates, if any, will not result in change of control of the management of the Company and shall be exempt in terms of provision to Regulation 3(1)(b)(ii) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

The Promoter/Directors/Associates have confirmed that in case the Rights Issue of the Company is completed with their subscribing to equity shares over and above their entitlement and as a result, if the public shareholding in the Company after the Issue falls below the permissible minimum level as specified in the listing condition or listing agreement, they will make an offer for sale of their holdings so that the public shareholding is raised to the minimum level specified in the listing agreement or in the listing conditions within a period of 3 months, as per the requirements of sub-clause 17.2 of SEBI (Delisting of Securities) Guidelines, 2003 or as per any amendment thereto.

## **LETTERS OF ALLOTMENT OR REFUND ORDERS**

Company shall ensure despatch of refund orders, if any, by under the Certificate of Posting or registered post or speed post or through modes as mentioned in section, Terms of the Issue clause "Mode of Payment" as stated below, as applicable, only at the sole or First Applicant's sole risk within 42 days of



closure of the Rights Issue, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the issuer.

In case of those shareholders who have opted to receive their Right Entitlement Shares in dematerialized form by electronic credit under the depository system, an advice regarding the credit of the Equity Shares shall be given separately.

Allotment of Equity Shares to non-residents and the issue of letters of allotment/share certificates to nonresidents shall be subject to the approval received from RBI.

For Non-Resident Applicants, refunds, if any, will be made as under:

- ☞ Where applications are accompanied by Indian Rupee Drafts purchased abroad and payable at Mumbai, India, refunds will be made in convertible foreign exchange equivalent to Indian Rupees to be refunded. Indian Rupees will be converted into foreign exchange at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and the Company shall not bear any part of the risk.
- ☞ Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques are drawn and details of which are provided in the CAF.

## **MODE OF PAYMENT OF REFUND**

Applicants should note that on the basis of name of the Applicant, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the applicants bank account details including nine digit MICR code. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to applicants at the his/her sole risk and neither the Lead Manager to the Issue nor the Bank shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, would be done through various modes in the following order of preference:

- I **ECS** - Payment of refund shall be undertaken through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakhpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. One of the methods for payment of refund is through ECS for applicants having a bank account at any of the abovementioned 68 centers.

- II **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Bank.
- III **RTGS** – Applicants having a bank account at any of the above mentioned fifteen centers and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Bank. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- IV **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Whenever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- V For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched "Under Certificate of Posting" for value upto Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the applicants.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT / DESPATCH**

The Company will issue and dispatch letters of allotment/ share certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of six weeks from the date of closure of the Issue. If such money is not repaid within 8 days from the day the Company becomes liable to pay it, the Company shall pay that money with interest at the rate of 15% per annum as stipulated under Section 73 of the Act.

#### **UNDERTAKING**

The Company undertakes that:

- i) that the complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily.
- ii) that all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed are taken within seven working days of finalization of basis of allotment.
- iii) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by the issuer.
- iv) where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 42 working days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- v) that the promoter's contribution in full, wherever required shall be brought in advance before the issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made in public.
- vi) that the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time.

- vii) that no further issue of securities shall be made till the securities offered through this Letter of Offer are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.

The Issuer and Lead Manager shall update the Letter of Offer and keep the investors informed of any material changes till the listing and trading commences.

#### **UTILISATION OF ISSUE PROCEEDS**

The Board of Directors declares that:

- (i) all monies received out of issue of shares or debentures to public shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;
- (ii) details of all monies utilized out of the issue referred to in sub-item(i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer company indicating the purpose for which such monies had been utilized; and
- (iii) details of all unutilized monies out of the issue of shares or debentures, if any, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer company indicating the form in which such monies have been invested.
- (iv) the utilization of monies received under promoters' contribution and from firm allotments and reservations shall be disclosed under an appropriate head in the balance sheet of the issuer company, indicating the purpose for which such monies have been utilized.
- (v) the details of all monies out of the funds received under promoters' contribution and from firm allotments and reservations shall be disclosed under a separate head in the balance sheet of the issuer company, indicating the form in which such monies have been invested.

## SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

3. The Authorized Share Capital of the Company Rs. 110,00,00,000 (Rs. One hundred Ten Crores) divided into 11,00,00,000 (Eleven Crores) Equity Shares of Rs. 10/- each with the power to increase or reduce the capital of the Company in accordance with the regulations of the Company and the legislative provision for the time being in force in this behalf and with power to divide the shares in the capital for the time being into several Classes and to attach thereto respectively such preferential qualified or special rights, privileges as may be determined in accordance with the provision of the Companies Act, 1956 and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Articles of Association of the Company.
4. The Company in the General Meeting may from time to time by a Special Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided in to shares of such amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribed and in particular, such shares may be issued with a preferential or qualified right to divide in distribution of assets of the company, and with a right of voting in General Meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act.
5. Except so far as otherwise provided by the conditions of issue or by these presents, and capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provision herein contained, with reference to the payment of calls and installments, forfeiture. lien, surrender, transfer and transmission, voting or otherwise.
6. The Company may from time to time issue Share Warrants in accordance with Section 114 and 115 of the Act.
7. The Company shall have the powers to issue Warrants which entitle the holders to subscribe for Equity Shares and the resolution such issue shall prescribe the manner, terms and conditions of issue.
8. Subject to the provisions of Section 80 of the Act the Company shall the power to issue Preference Shares of all kinds including redeemable, convertible, cumulative, non-cumulative which are, or at the option of the company are to be liable., to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption. Such redemption of Preference Shares may be done by converting the same into equity shares in the manner and on such terms and conditions as the Shareholders may decide in a general meeting.
9. On the issue of Redeemable preference shares issued under the provisions of Articles 8 hereof the following provisions shall take effect :-
  - (a) no such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption :
  - (b) no such shares shall be redeemed unless they are fully paid :
  - (c) the premium, if any, payable on redemption must have been provided for out of the profits of the company or out of the Company's share Premium Account before the shares are redeemed.
  - (d) where any such, shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.

10. The Company may issue / convert / redeem the Preference Shares including Cumulative Convertible Preference Shares and Cumulative Preference Shares subject to and in accordance with Section 80 of the Act.
11. The Company may reduce its share capital in accordance with Sections 78, 80, 100, 101, 103 and 104 of the Act.
12. The Company may alter the conditions of its Memorandum in accordance with Section 94 of the Act.
13. The Shareholder's rights and privileges may be varied from time to time subject to the provisions of Sections 106 and 107 of the Act.
14. The Register of Members and the Register of Debenture Holders shall be kept in accordance with Sections 150 and 152 of the Act. The Company shall be entitled to keep subject to Sections 157 and 158 of the Act in any state or country outside India a Branch Register of Members in that state or country.
15. The Company shall cause to be kept an index of members and index of Debenture Holders in accordance with Sections 151 and 152 of the Act.

#### **SHARES AND CERTIFICATES**

16. The shares in the capital shall be numbered progressively according to their several denominations, in accordance with Section 83 of the Act. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
17. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and as such times as the directors think fit and with full power to give any person the option to call for or be allotted shares of any class of the company either at a premium or at par or at a discount (in accordance with the provisions of Section 78 and 79 of the Act) and such option being exercisable for such time and for such consideration as the directors think fit. The board shall cause to be made the return of allotment provided for in Section 75 of the Act. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in General Meeting.
18. Subject to the provisions of Sections 91, 292 and all other applicable provisions of the Act, the directors may from time to time in accordance with the terms on which the shares have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board make such calls as, they think fit, upon the Members in respect of all moneys unpaid on their respective shares. A call may be made payable by installments.
19. (a) Where it is proposed to increase the subscribed capital of the company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons, who at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. The offer shall include a right exercisable by the person connected to renounce the shares offered to him, or any of them, in favour of any other person, and the notice aforesaid shall contain a statement of this right. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered the Board may dispose of them in such manner as they think most beneficial to the company.  
(b) Notwithstanding anything contained in the preceding sub-clause, the company may, in the manner laid down in Section 81 (1A) issue further shares to any person or persons, and such person or persons may or not include the persons who at the date of the offer are the holders of the equity shares of the

company.

(c) Notwithstanding anything contained in sub-clause (a) above but subject, however, to Section 81 (3) of the Act, the company may increase its subscribed capital on exercise of an option attached to any debentures issued or loans raised by the company to convert such debentures or loans raised by the company to convert such debentures or loans in to shares, or to subscribe for shares in the company.

20. Any application signed by or on behalf of an applicant for shares in the company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who accepts any shares and whose name is on the register shall, for the purpose of these Articles, be a Member.
21. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of call in respect of any shares allotted by them, shall immediately on the inscription of the name of the holder of such shares, become a debt due to and recoverable by the company from the allottee thereof and shall be paid by him accordingly.
22. Every member, or his heirs executors, or administrators shall pay to the company portion of the capital represented by his share or shares which may, for the time being remain unpaid in such amounts, at such time or times, and in such manner as, the Board shall, from time to time, in accordance with the company's regulations require or fix for the payment thereof.
23. (a) Every Member or allottee of shares shall be entitled, without payment, to receive a certificate or more certificates in the marketable lot specifying the name of the person in whose favor it is issued, the shares to which it relates, and the amount paid up thereon allotment. Every such certificate shall be issued under the Seal of the company and under the signature of the Directors, Secretary, authorised person in the manner laid down in the Companies (issue of Share Certificate) Rules 1960. Particulars of every share certificate so issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of the issue.  
(b) Any two or more joint allottees of shares shall for the purpose of this Article, be treated as single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. For any further certificate, the board shall be entitled, but shall not be bound, to prescribe a charge not exceeding one rupee. The company shall comply with the provisions of Section 113 of the Act.  
(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as, engraving in metal or lithography, but not by means of a rubber stamp; Provided that the directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
24. (a) No. certificate of any shares shall be issued either in exchange of those which are subdivided or consolidated or in replacement of those who are defaced, torn or old, decrepit, worn out or where the pages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the company.  
(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate no. .... sub divided / replaced / on consolidation of shares.  
(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board, and on such terms, if any, as to evidence and indemnity and as to payment of out of pocket expenses incurred by the company in investigating the evidence, as the board thinks fit.  
(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is a duplicate issued in lieu of certificate no. .... The word 'duplicate' shall be stamped or punched in bold letters across the face of the share certificate.  
(e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this article , particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate



Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes shall be indicated in the Register of Member by suitable cross references in the "Remarks" column.

(f) All blank forms to be used for issue of share certificates shall be printed, and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered and the forms and the blocks, engravings, facsimiles and dies relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose' and the secretary or the other person aforesaid shall be responsible for rendering an account of these terms to the Board.

(g) The Managing Director of the company for the time being or if the company has no Managing Director every Director of the company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificate referred to in sub - Article (f).

(h) All books referred to in sub-article (g) shall be preserved in good order.

25. If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus, or service of notices, and all or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof; but the joint holders of shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the company's regulations.
26. Except as ordered by a Court of competent jurisdiction, or as by law required, the company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these articles otherwise expressly provided) any right in respect of a share other than the absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
27. None of the funds of the company shall be applied in the purchase of any shares of the company, and it shall not give any financial assistance for or in connection with the purchase of subscription of any shares in the company or in its holding company save as provided by Section 77 of the Act.
28. No option or right to call of shares shall be given to any person except with the sanction of the company in general meeting.

#### **INTEREST OUT OF CAPITAL**

41. The company may pay interest subject to the conditions and restrictions provided under Section 208 of the Act.

#### **LIEN**

42. The Company shall have first and paramount lien upon all the shares (other than paid-up shares) registered in the name of each member (wherever solely if jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares or no equitable interest in any share shall be created except upon the footing and condition that Article 26 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.
43. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it shall think fit, and, for that purpose, may cause to be issued a duplicate in respect of such shares and may

authorise one of its number to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment fulfillment or discharge of such debts, liabilities or engagements for fourteen days after the service of such notice.

44. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

## **TRANSFER AND TRANSMISSION OF SHARES**

56. The company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
57. The instrument of transfer shall be in writing in the form prescribed under Section 108(1A) of the Act.
58. The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the company in accordance with the provisions of the Act. The instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of the Transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares, debentures or other securities must be delivered to the company.
59. The Company shall have the power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the company is situated to close the Transfer Books, the Register of Members or Register of Debenture-holders at such time or times and /for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.
60. Subject to the provisions of Section 110 of the Act, and Section 22A of the Securities Contracts (Regulation) Act, 1956 the board may at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares or debentures or any other scrip or security whether fully paid or not. The procedure to refuse this transfer shall be the same as is mentioned in Section 22A of the securities Contract (Regulation) Act, 1956. Provided that registration of a transfer of shares shall not be refused on the ground of the transferor being either or alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
61. Where, in the case of partly-paid shares, and application for registration is made by the transferor, the company shall give notice of the application to the Transferee in accordance with the provisions of Section 110 of the Act.
62. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
63. The executors or administrators or holders of a Succession, Certificate or the legal representatives of deceased Member (not being one of two or more joint-holders) shall be the only persons recognised by the company as having any title to the shares registered in the name of such member, and the company



shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with the production of probate or Letters of Administration or Succession Certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to absolutely entitled to the shares standing in the name of a deceased Member, as Member.

64. No partly paid share shall be transferred to any Minor. no share shall be transferred to an insolvent or person of unsound mind.
65. Subject to the provisions of the Act and these Articles any person becoming entitled to shares as a consequence of the death, lunacy, bankruptcy, or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that sustains the character in respect of which the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the board, registered as such holder; provided nevertheless that if such person shall elect to have his nominees registered, he shall testify the election but executing in favour of his nominees an instrument of transfer in accordance with the provisions herein contained and, until he does so, he shall not be freed from any liability in respect of the shares. The article is hereafter referred to as "the Transmission Article".
66. A person entitled to a share by transmission shall, subject to the right of the directors to retain such dividends or moneys as is herein provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share.
67. No fees shall be paid to the Company for transfer, or transmission of any shares.
68. The company shall in no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title, or interest or in the said Shares, notwithstanding that the company may have received notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the company. but, the company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
69. Copies of the Memorandum and Articles of Association of the Company and other documents shall be sent by the Company to every member at his request on payment of the prescribed fees from time to time by the Board in accordance with Section 39 of the Act.

#### **BORROWING POWERS**

70. The Board may borrow from time to time subject to the provisions of Sections 58A, and 293 of the Act.
71. The payment or repayment of money borrowed as aforesaid may be secured in accordance with Section 293 of the Act.
72. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise

and may be issued in the condition that they shall be convertible into shares of any denominations and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of directors and otherwise. debentures with the right of conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

73. The Company shall keep a register of Charges in accordance with Section 143 of the Act.

### **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

74. The company in general meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as the shares from which the stock arose might have been transferred, as if on such conversion had taken place, or as near thereto as circumstances will admit. The company may at any time reconvert any stock into paid-up shares of any denomination.

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the company, any other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

### **MEETING OF MEMBERS**

76. The Statutory Meeting of the company shall be held in accordance with Section 165 of the Companies Act.
77. The Company shall hold in each year in addition to any other meetings a general meeting as Annual General Meeting in accordance with Section 166 of the Act.
78. All general Meetings other than the Annual General Meeting shall be called Extra Ordinary General Meeting. An Extra Ordinary General Meeting may be called :- (a) by the Board or if there are not within India directors capable of acting who are sufficient in number to form a quorum, by any director or any two members in the same manner, as nearly as possible, as that in which, such a meeting may be called by the Board, or (b) in accordance with the provisions of Sections 171 and 173 of the Act.
79. The notice for the general Meeting and the Annual General Meetings will be in accordance with Sections 171 and 173 of the Act.
80. (a) The Quorum for the Extra Ordinary General Meeting and the Annual General Meeting shall be in accordance with Section 174 of the Act.  
(b) Five members present in person, or in the case of members who are corporations, through their representatives appointed under section 187 of the Act, shall be the quorum for a General Meetings, provided that no such quorum shall be in accordance with Section 174 the Act.
81. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of Members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in Bombay as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be the quorum, and may transact the business for which the meeting was called.
82. One of the directors appointed by S. Kumars Ltd. shall be the Chairman of the meeting in accordance with section 175 of the Act.

83. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.
84. The Chairman may, with the consent of the Meeting adjourn any meeting from time to time and from place to place.
85. The Member of the Company is entitled to appoint proxies in accordance with Section 176 of the Act.
86. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting or a second vote in addition to the vote or votes to which he may be entitled as a member.
87. Poll may be demanded and taken in accordance with Sections 179, 180, 184 and 185 of the Act.
88. The demand for a poll except on the question of the election of the Chairman and of an adjournment, shall not prevent the continuance of any business other than the question on which the poll has been demanded.

### **VOTES OF MEMBERS**

89. No member shall be entitled to vote either personally or by proxy at any General Meeting or at any meeting of a class of shareholders upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regards to which the company has, and has exercised any right of lien.
90. Subject to the provisions of these Articles, every member not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll every member present in person or proxy shall have one vote for every share held by him either alone or jointly with any other person or persons. Provided, however, if any preference shareholder be present at any meeting of the company, save as provided in clause (b) of sub-section (2) of section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
91. On a poll taken at a meeting of the company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he votes.
92. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his legal guardian, and any such legal guardian may, on a poll, vote by proxy, if any member be a minor, the vote in respect of his share or shares shall be by his legal guardian, or any one of his legal guardians, if more than one, to be elected in case of dispute by the Chairman of the meeting.
93. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto, but, the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares. Several executors or administrators of a deceased Member in whose name shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.
94. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

95. Any person entitled under the Transmission Article i.e. Article No. 65 of any shares in his favour may vote at any Annual General Meeting or Extra Ordinary General Meeting in the same manner as if he deceased member in that meeting were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting, at which he proposes to vote he shall satisfy the directors of his right to the transmission of such shares and give such indemnity or other documents as the directors may require or the directors shall have previously admitted his right to vote at such meeting.
96. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or an attorney duly authorised by it, and any Committee or guardian may appoint such proxy. the proxy so appointed shall not have any right to speak at the meeting.
97. An instrument of proxy may appoint a proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof, or it may appoint one or the purpose of a period of meeting of the Company, or of every Meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
98. No Member present only by proxy shall be entitled to vote on a show of hands unless such Member is a body corporate present by a representative duly appointed under Section 187 of the Act who is not himself a member, in which case such representative shall have a vote on a show of hands as if he were a Member. Save as aforesaid, a member present by proxy shall be entitled to vote only on a poll.
99. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered Office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and, in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
100. Every instrument of proxy, whether for a specified meeting, or otherwise, shall as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
101. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or the revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office before the meeting.
102. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll or counting thereof shall be deemed valid for all purposes of such meeting or poll whatsoever.
103. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

#### **MINUTES OF MEETINGS**

104. The Company shall cause minutes of all proceedings of every meeting in accordance with Section 193 of the Act.

#### **DIVIDENDS**

148. The profit of the company, subject to any special rights relating there to created or authorised to be created by these Articles, and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount capital paid up on the shares held by them.

149. The company in general meeting may declare a dividend, to be paid to members according to their respective rights. No dividends declared shall in general meeting exceed the amount recommended by the board, but, the company in general meeting may reduce the dividend recommended by the Board.
150. No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profit of the company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both, provided that.
  - (a) If the company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying dividend for any financial year provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years.
  - (b) If the company has incurred any loss in any previous financial year or years the amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year or which the dividend is proposed to be declared or paid or against the profits of the company for any previous financial year or years arrived at in both cases, after providing for depreciation in accordance with the provisions of sub-Section (2) of the Section 205 of the Act or against both.
151. The Board may from time to time, pay to the members such interim dividend as, in their judgment, the position of the company just fits.
152. Where capital is paid in advance of calls upon the footing that the same shall carry an interest, such capital shall not whilst carrying interest, confer a right to participate in profits.
153. The company shall pay dividends in proportion to the amount paid up or credited as paid up on each share.
154. The Board may retain the dividends payable upon shares in respect of which any person under the Transmission Articles is entitled to become a member, or which any person under that article is entitled to transfer, until such person shall become a member, in respect of such shares of which he shall duly transfer the same.
155. Any one or several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
156. No member shall be entitled to payment of any interest or dividend in respect of his share or shares while any money may be due or owing from him to the company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons and the board may deduct from the interest or dividend payable to any member all sums of money so due from him to the company.
157. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
158. Subject to the Act and to the Articles, unless otherwise provided, any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of cheque or warrant or by a payslip or receipt having the force of cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in register in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the person who is entitled to the dividend or his mandalaya. The company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature on any pay-slip or receipt or the fraudulent recovery of the dividend by any other means. If two or more persons are registered as joint-holders of any share or shares any one of them can give effectual receipt for any moneys payable in respect thereof.

159. No unpaid or unclaimed dividend shall be forfeited by the Board. Where a dividend has been declared by the company but which has not been paid or claimed within the days as stipulated in the Act, from the date of the declaration etc to any shareholder on titled to the dividend, the company shall within the days as stipulated in the Act. from date of the expiry of the said period open a special account in that behalf in any scheduled bank called : "The Unpaid Dividend Account: of ENTEGRA LTD" and transfer therein the total amount of dividend that has remained unpaid or unclaimed as aforesaid Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for the period of three years form the date of such transfer shall be transferred by the company to such account as per Act. A claim to any money so transferred to the central Government by the shareholders to whom the money is due.
160. No unpaid dividend shall bear interest as against the company.
161. Any general meeting declaring a dividend may, on the Dividend and recommendations of the directors, make a call on the members of such amounts as the meeting fixes, but so that the call be made payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so agreed between the company and the members, be set off against the calls.

## **CAPITALIZATION**

162. (a) The company in general meeting may resolved that any moneys, investments or other assets forming part of the undivided profits of the company standing to the credit of the Reserve Fund, or company and available for dividend (representing Premiums received on the issue of shares and sanding to the credit of the Share Premium Account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the sum if distributed by way or dividend and in the same proportion on the footing that they become entitled there to as capital and that all or any part of such capitalist fund be applied on behalf of such shareholders in paying up in full either at par or such premium as the resolution may provide, any unissued shares pr debentures or debenture stock of the company which shall be distributors or in or towards payment of the uncalled liability on any issued shares or debentures or debenture stock, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provides that a share premium Account and capital redemption reserve fund may for the purpose of this Article. only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
- (b) A general meeting may resolve that any surplus moneys arising from the realization of any capital assets of the company, or any investments representing the same, or any other undistributed profits of the company not subject to charge for income tax: be distributed among the members on the footing that they should receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regards to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fractions of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalist fund as may seem expedient to the board, where requisite a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956, and the board may appoint any person to sign such contract on behalf of the persons untitled to the dividend or capitalised fund, and such appointment shall be effective.

## **ACCOUNTS**

163. The company shall keep at the Registered Office, or at such other place in India as the Board thinks fit proper books of account in accordance with Section 209 of the Act.



164. The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of member (not being a director) shall have any right of inspecting any books of accounts or documents of the company except as conferred by law authorised but the Board.
165. The Directors shall from time to time, in accordance with Section 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared to be laid before the company in general meeting such Balance Sheets, Profit and loss Accounts and Reports as are required by these sections.

#### **WINDING UP**

167. The Liquidator on any winding up (whether Voluntary under supervision, or compulsory may, with the sanction of a special Resolution, but subject to the rights attached to any preference share capital divide among the contributors in specie any part of the assets of the company and may, with the like sanction, vest any part of the assets of the company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit.

#### **INDEMNITY**

168. Subject to Section 201 of the Act every Officer or Agent for the time being of the company shall be indemnified out of the assets of the company against all liability incurred by him depending any proceedings, whether civil or criminal. in which judgment is given in his favour or in connection with any proceedings under Section 633 of the Act in which relief is granted to him by the court.

#### **SECRECY**

169. (a) Every Director, Manager, Auditor, Trustee member of a committee, officer, Stewart, agent, accountant or other person employed in the business of the company shall, if so required by the directors, before entering upon his duties, signature a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the company with the customers and the state of the accounts with individuals and in matters relating there to, and shall be such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the board or by a court a law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the company of or any information respecting any details of the company's trading, or any matter which is or may be in the nature of a trade secret, mastery of trade, secret process nature of a trade secret, mystery of trade, secret process pr any other matter which may relate to the conduct of the business of the company and which in the opinion of the directors, it would be inexpedient interest of the company to disclose.

#### **DEMATERIALISATION OF SECURITIES**

170.

##### **(A) DEFINITIONS:**

"Beneficial Owner" means a person whose name is recorded as such with a Depository as defined in clause (a) of the Sub-Section (1) of Section 2 of the Depositories Act, 1996.

"SEBI" means Securities and Exchange Board of India, established under Securities and Exchange Board of India Act, 1992.

"Bye-laws" means bye-laws made by a depository under Section 26 of the Depositories Act, 1996.

"Depositories Act" means the Depositories Act, 1996. including any statutory modification or enactment thereof for the time being in force.

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under Sub-Section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by regulations.

"Regulations" means the regulations made by the SEBI Board.

"Security" means shares, debentures and such other security as may be specified by the SEBI Board from time to time.

**B) DEMATERIALISATION**

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder.

**C) OPTION TO RECEIVE SECURITY CERTIFICATES OR HOLD SECURITIES WITH DEPOSITORY**

1) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a depository.

2) Where a person opts to hold a security with a depository the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of that security.

**D) SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM**

1) All securities held by a depository shall be dematerialized and shall be in fungible form.

2) Nothing contained in Section 153, 154A, 187B, 187C and 372/372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

**E) RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS,**

(a) Notwithstanding anything to the time being in force, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security in behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as a registered owner of the securities shall not have any voting rights or any other rights in respect of other securities held by it.

(c) Every person holding securities of the company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of these securities held by a depository.

**F) DEPOSITORY TO FURNISH INFORMATION**

Every depository shall furnish to the company information about the transfer of securities in the name of the beneficial owners at bye-laws and the Company in the behalf.

**G) REMATERIALISATION (OPTION TO OPT OUT IN RESPECT OF ANY SECURITY)**

(1) If beneficial owners seek to opt out of a depository in respect of any security, he shall inform the depository accordingly.

(2) The depository shall on receipt of such intimation make appropriate entries in its records and shall



inform the Company.

(3) The company shall within (30) days of the receipt of intimation from a depository and on fulfillment of such conditions and on payment of such fees as may be specified by the Regulation, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

**H) SECTIONS 83 AND 108 OF THE ACT NOT TO APPLY**

notwithstanding any the contrary contained in the Articles:

(1) Section 83 of the Act shall not apply to securities held with a depository.

(2) Nothing contained in Section 108 of the Act, shall apply to a transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository a depository.

**I) ALLOTMENT OF SECURITIES DEALT WITH IN A DEPOSITORY**

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the company shall intimate the details thereof the depository immediately on allotment of such securities.

**J) DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY**

Nothing contained in the Act, or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

**K) REGISTER AND INDEX OF BENEFICIAL OWNERS**

The Register and Index of beneficial owners maintained by the depository under Section 11 of the Depositories Act, 1996, shall be deemed to be Register and Index of Members and security holders for the purpose of the Act and these Articles.

**NOMINATION OF SHARES**

171. A

(i) Notwithstanding anything contained in the Articles of Association or in any other law for the time being in force, and subject to the provisions of the Companies Act, 1956 every member and debenture holder of the company may at any time nominate in the prescribed manner, a person to whom his shares or debentures of the company shall vest in the event of his death.

(ii) In case of more than one holder, the joint holders may together nominate, in the prescribed manner a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the holder of shares or debentures of the Company or all the joint holders thereof as the case may be, become entitled to all the rights in such shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

iv) Where nominee is a minor, the holder of shares or debenture of the Company may appoint a person to become entitled to such shares or debentures, in the event of his death during the minority of nominee.

**TRANSMISSION OF SHARES**

171. B

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either L:

- (i) To be registered himself as holder of shares(s) or debenture(s), as the case may be or; or
- (ii) To make such transfer of share(s) or debenture(s), as the case may be, as the deceased shareholder or debenture holder, could have made;
- (iii) If the nominee elects to be registered as holder of the share(s) or debenture(s), himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be;

- (iv) A nominee shall be entitled to the same dividends and other advantages which he would be entitled to, if he were the registered holder of the share(s) or debenture(s) except that he shall not, before being registered as member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) or debenture(s), and if the notice is not complied within ninety days, the board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share(s) or debenture(s), until the requirements of the notice have been complied with.

#### **BUY-BACK OF SHARES**

172. Notwithstanding anything contained in these Articles the Board of Directors may, when and if thought fit, buy-back such of the Company own shares or securities as it may consider appropriate subject to such limits, restrictions, terms and conditions, approvals as may be required under the provisions of Companies Act including, the amendment(s) thereof.

## SECTION IX - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS

The Contracts referred to in para (A) below (not being contracts entered into in the ordinary course of the business carried on by the Company or entered into more than two years before the date of this Letter of Offer) which are or may be deemed material, have been entered into by the Company.

The contracts together with the documents referred to in paragraph (B) below, copies of all of which have been attached to the copy of this Letter of Offer may be inspected at the Registered Office of the Company between 11.00 a.m. - 4.00 p.m. on any working day from the date of this Letter of Offer until the closing of the subscription list.

#### A. MATERIAL CONTRACTS

1. Copy of Memorandum of Understanding dated February 12, 2008 between the Company and Keynote Corporate Services Limited, Lead Manager to the Issue.
2. Copy of Memorandum of Understanding dated February 12, 2008 between the Company and Ashika Capital Limited, Lead Manager to the Issue.
3. Copy of Memorandum of Understanding dated January 01, 2008 between the Company and Bigshare Services Private Ltd., Registrar to the Issue.
4. Copy of tripartite agreement dated September 29, 1999 between the Company, National Securities Depository Limited (NSDL) and Bigshare Services Private Ltd., Registrar to the Issue.
5. Copy of tripartite agreement dated February 29, 2000 between the Company, Central Depository Services(India) Limited (CDSL) and Bigshare Services Private Ltd., Registrar to the Issue.

#### B. DOCUMENTS FOR INSPECTION

1. Copy of Memorandum of Articles and Articles of Association of Entegra Limited.
2. Copy of Certificate of Incorporation of Company dated February 10, 1995 and Fresh Certificate of Incorporation dated March 14, 1995.
3. Copies of Annual report of Entegra Limited for the year ended, 31/03/2003, 31/03/2004, 31/03/2005, 31/03/2006, 31/03/2007 and for ten months ended 31/01/2008.
4. Memorandum and Articles of Association and copies of Annual Report for the year ended, 31/03/2005, 31/03/2006 and 31/03/2007 of the following Promoter Group Companies/Associate Companies/Subsidiary Company
  - MW Infraholdings Private Limited
  - Raj Infin Private Limited
  - Girija Holdings Private Limited
  - Unitex Designs Limited
  - S. Kumars Limited
  - SKG Power Ventures Private Limited
  - Shree Maheshwar Hydel Power Corporation Limited
  - Hindon River Mills Limited
  - Manors Textiles Limited
  - SKM Fabrics (Amana) Limited

- Ennertech Biofuels Limited
  - MW Corp Private Limited
  - Manmade Fabrics Sales and Services Private Limited
  - Kartikeya Finvest Private Limited
  - Moolsha Investments Private Limited
5. Copy of the Board resolution dated April 01, 2006 recommending the rights issue of the company & copy of Special Resolution under section 81, and other relevant provisions of Companies Act, 1956 dated September 25, 2006 passed at the Annual General Meeting of the company authorizing present issue of equity shares & Copy of the Board resolution dated company.
  6. Copy of certificate dated June 17, 2008 issued by M/s. Malpani & Associates Chartered Accountants & Statutory Auditors of the Company reporting financials of the company in terms of Part II Schedule II of the Companies Act, 1956 and including capitalization statement, taxation statement, accounting ratios.
  7. Copy of Certificate dated June 16, 2008 issued by M/s. Malpani & Associates, Chartered Accountants & Statutory Auditors, regarding tax benefits accruing to the company and its shareholders.
  8. Copy of certificate dated January 21, 2008 issued by M/s. Malpani & Associates, Chartered Accountants in terms Clause 6.10.2.4 & 6.10.2.5 Of SEBI (DIP) Guidelines, 2000 regarding reporting of financials of M/s. PSC Engineers Pvt. Limited
  9. Copies of Consents from the Directors of the Company, Statutory Auditors of the company, Bankers to the Company, Lead Managers to this Issue, legal advisors to this Issue, Company Secretary & Compliance Officer, Registrar to this Issue, as referred to, in their respective capacities.
  10. Due diligence certificate dated February 29, 2008 to SEBI from the Lead Managers Keynote Corporate Services Limited and Ashika Capital Limited.
  11. Copy of inter-se allocation dated February 12, 2008 between Keynote Corporate Services Limited & Ashika Capital Limited, Lead Managers to the issue.
  12. Copies of in-principle approval received from BSE vide letter no. DCS/PREF/JA/IP-RT/3629/07-08 dated March 18, 2008 and NSE vide letter no NSE/LIST/69498-M dated March 25, 2008.
  13. Copy of Valuation report dated May 11, 2007 prepared by M/s. Avalon Consulting for acquisition of PSC Engineers Pvt. Limited.
  14. Copy of SEBI observation letter No. CFD/DIL/SM/ISSUES/127999 dated June 06, 2008 and reply to the observation by the lead manager vide their letter no. Ref # Entegra/CL/Bs(01) dated July 01, 2008.

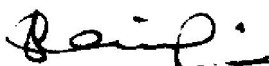
**PART III**  
**DECLARATION**

No statement made in this form shall contravene any of the provisions of the Companies Act, 1956 and the rules made there under. All the legal requirements connected with the said issue as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this behalf have been duly complied with.

The Company accepts no responsibility for statements made otherwise than in the offer document or in the advertisement or any other material issued by or at the instance of the Company and that any one placing reliance on any other source of information would be doing so at their own risk.

The Directors of the Issuer Company certify that all the disclosures made in the offer document are true and correct.

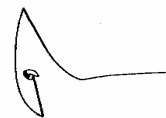
**Yours Faithfully**  
**For Entegra Limited**



Mukul S. Kasliwal  
**Chairman**



Warij A. Kasliwal  
**Vice-Chairman**



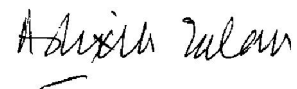
Vijendra K. Jain  
**Director**



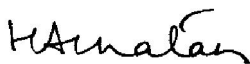
Prabhakar L. Nene \*  
**Director**



Ajit C. Kapadia \*  
**Director**



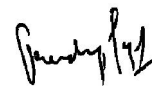
Ashish S. Jalan  
**Director**



Hiten A. Khatau  
**Director**



Soli K. Cooper  
**Director**



Pradeep Goyal  
**Director**

\* By his constituted Attorney

**Place:** Mumbai  
**Date:** July 07, 2008