TECHNO ELECTRIC &
ENGINEERING COMPANY LIMITED
Corporate office
3F, Park Plaza, 71, Park Street, Kolkata- 700016
Visit us at: www.techno.co.in

We intend to emerge as a leading Indian green energy company.

Techno Electric & Engineering Company Limited
Annual Report 2010-11

Greenology

At Techno Electric, 'Greenology' is not just about the efficiency with which we design power sub stations or invest in renewable energy generation forms.

It is about everything. Consuming less paper than usual in this annual report, for instance.

This year, we created a smaller and cleaner report to consume less and contribute to environment responsibility.

- We used recycled paper, saving 60-70% energy, conserving trees and reducing toxic byproduct generation
- We replaced the use of normal petroleum ink with vegetable ink in printing this report
- We initiated an interactive e-Annual Report in addition to the printed version
- We saved 0.116 tonnes of paper, 2798 gallons of water and two two trees through this exercise*

**The above calculations have been made on the basis of 4,000 printed Annual Reports as compared to last year*

CONTENTS

Corporate information

Board of Directors

P. P. Gupta	MANAGING DIRECTOR
V. D. Mohile	INDEPENDENT DIRECTOR
K. M. Poddar	INDEPENDENT DIRECTOR
K. Vasudevan	INDEPENDENT DIRECTOR
K. K. Rai	INDEPENDENT DIRECTOR
S. N. Roy	INDEPENDENT DIRECTOR

Company Secretary

N. Brahma

Bankers

Vijaya Bank
State Bank of India
IDBI Bank
ICICI Bank
Royal Bank of Scotland (RBS)
Standard Chartered Bank
Allahabad Bank
YES Bank
Citibank N.A.
Indusind Bank
DBS Bank

Auditors

S. S. Kothari & Co.
Centre Point
21, Old Court House Street
Kolkata- 700 001

Registered office

P-46A, Radha Bazar Lane,
Kolkata- 700001

Corporate office

3F, Park Plaza, 71, Park Street,
Kolkata- 700016

Registrar and Share Transfer Agent

Niche Technologies Private Ltd.
D-5 I I, Bagree Market, 5th Floor
71, B. R. B. Basu Road
Kolkata-700001
Ph.: 2234-2318/3576,
2235-7270/7271/3070
Fax: 2215-6823

FORWARD-LOOKING STATEMENTS In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral–that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise

A TRISYS PRODUCT
info@trisyscom.com

Techno Electric has made a significant leap.

From a longstanding EPC services provider for conventional power projects to the commissioning and ownership of green energy projects.

Making its business scalable and sustainable.

.For more than a century, India invested in conventional energy forms.

The country is now at an inflection point.

Extending to renewable energy forms without emission, pollution, carbon footprint and resource depletion.

Techno Electric is one of the first companies to make this happen through aggressive capacity creation in the renewable energy segment.

The result: A business model that reconciles conventional energy management (through EPC contracting) on the one hand with non-conventional energy capacity on the other.

Unique.

Parentage

Techno Electric is a leading EPC services company in India's power sector. The Company provides engineering, procurement and construction services to all three industry segments (generation, transmission and distribution). It was engaged in setting up (in one capacity or other) over 50% of India's thermal power generating capacity and a major portion of the national power grid.

The Company also possesses specific domain knowledge that enables it to serve the EPC needs of power, steel, fertiliser, metals and petrochemicals sectors, among others.

Businesses

The two major business segments of the Company's presence comprise engineering, procurement and construction (EPC) for the power sector and power generation (non-conventional).

Presence

The Company is headquartered in Kolkata, West Bengal (India) with marketing offices in three Indian states.

Listing

The Company's equity shares are listed and actively traded on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The promoters held 54.97% of the Company's equity as on March 31, 2011.

Team

The Company employs 500 professionals (engineering, commercial, graduates and post graduates). The engineering team possessed an average experience of more than 25 years as on March 31, 2011.

Revenue visibility

Techno Electric's order backlog was an impressive Rs.1,40,000 Lakhs as on March 31, 2011.

Clientele

Power

■ ABB Limited ■ Alstom ■ APtransco Limited ■ ASEB ■ BHEL ■ CESC ■ Damodar Valley Corporation ■ Delhi Vidyut Board ■ Electrosteel Castings Limited ■ General Electric Technical Services, USA ■ GRIDCO ■ Haryana Power Generation Corporation Limited ■ Lanco Industries Limited ■ Maharashtra State Electricity Board ■ National Hydro Electric Power Corporation Limited ■ National Thermal Power Corporation Limited ■ NEEPCO Limited ■ Orissa Power Generation Corporation Limited ■ Power Grid Corporation of India Limited ■ Reliance Energy ■ Tamil Nadu Electricity Board ■ Thermax Limited ■ UPPCL ■ UP Rajya Vidyut Utpadan Nigam Limited ■ West Bengal State Electricity Board

Petrochemical and refinery

■ Haldia Petrochemicals Limited ■ Indian Oil Corporation Limited ■ Indian Petrochemicals (A unit of RIL) ■ Bina Oman (BINA) ■ HPML (Bhatinda) ■ Bongaigaon Refinery & Petrochemicals Ltd. (BRPL)

Aluminium

■ Bharat Aluminium Company Limited ■ National Aluminium Company Limited ■ Hindalco Industries limited ■ Vedanta Aluminium Limited

Milestones

1963 – Incorporated to provide EPC services to India's core sector

1990 – Extended into the transmission and distribution segment

1995 – Complete management control by Mr. P. P. Gupta

2009 – Acquired 95.45 MW wind power firm with installations in Tamil Nadu and Karnataka

2010 – Setting up in PPP model, 400/220 KV, 1,500 MVA (100 km long) transmission link for HVPNL

These are some reasons that make us different

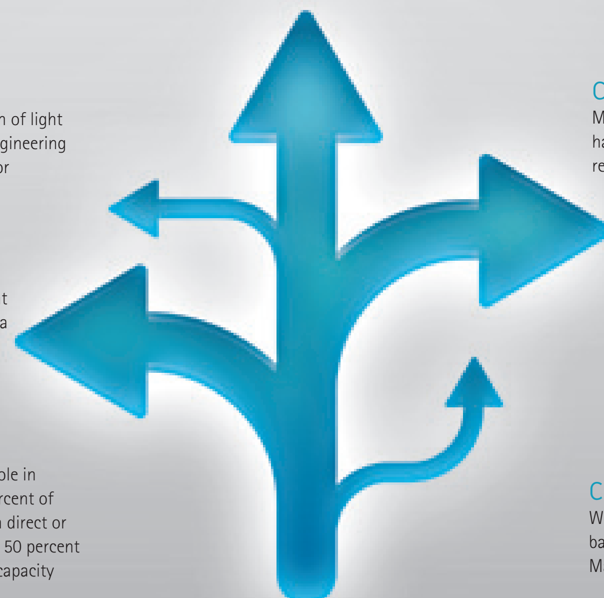
Pioneer
We undertake challenging projects, some initiated in our country for the very first time with completion in record time

Diverse
We focus on a combination of light construction and heavy engineering projects in the power sector

Spread
We provide products and services that cover 30 percent of the BoP value of a power project

Scale
We have played a direct role in building more than 50 percent of India's national grid and a direct or indirect role in more than 50 percent of India's thermal power capacity creation

Value-addition
We focus on projects with sustainable IRR



Timeliness
We possess an impeccable record of timely projects completion; we have never incurred a penalty because of time overrun in our existence

Contract closure
More than 90 percent of our projects have been closed successfully, resulting in quicker revenue inflow

Debt-equity ratio
We enjoyed a consolidated debt-equity of only 0.29 as on March 31, 2011

Cash-rich
We possessed cash and bank balances of Rs. 2,490 Lakhs as on March 31, 2011.

Sectoral presence
The Company is an engineering services provider to large power companies as well as power-intensive industries

Doing the right thing at the right time.

The result is in our consolidated numbers.

Gross revenues
Rs. 71,661.03 Lakhs

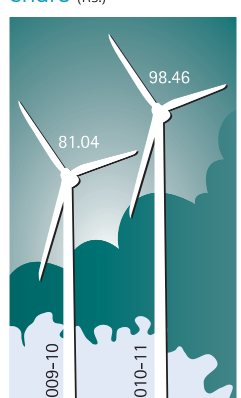
EBIDTA
Rs.16,347.17 Lakhs

Consolidated financial figures

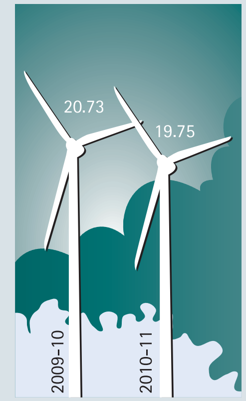
Revenues (gross) (Rs. in Lakhs)

EBIDTA (Rs. in Lakhs)

Book value per share (Rs.)



Earnings per share (basic) (Rs.)



Gross block (Rs. in Lakhs)

Cash profit (Rs. in Lakhs)

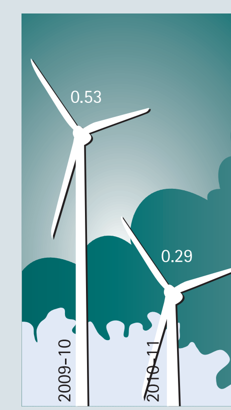
Other income
Rs. 2,848.35 Lakhs

Post-tax profit
Rs.11,278.25 Lakhs

EBIDTA margin (percent)

Post-tax profit margin (percent)

Debt-equity ratio

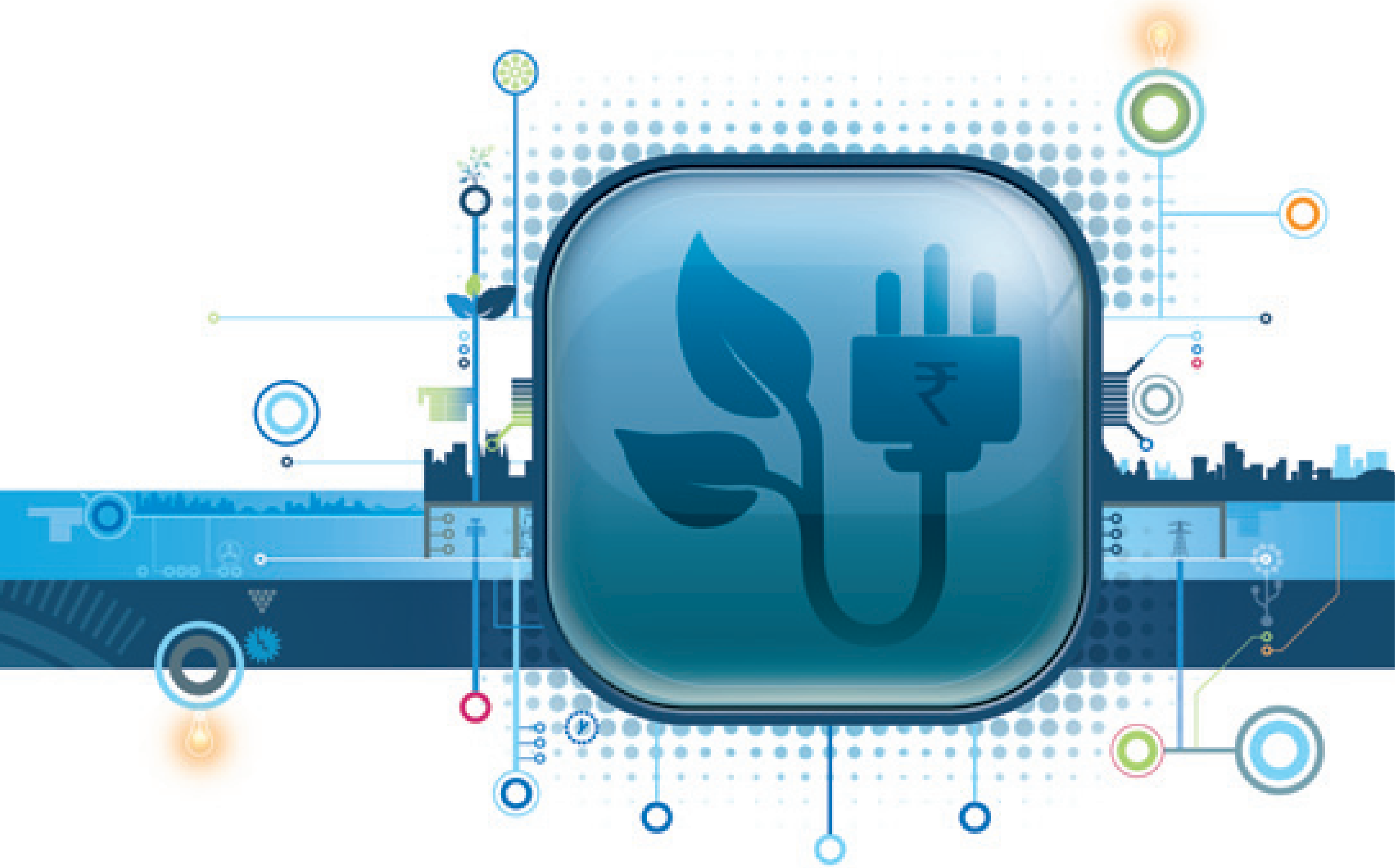


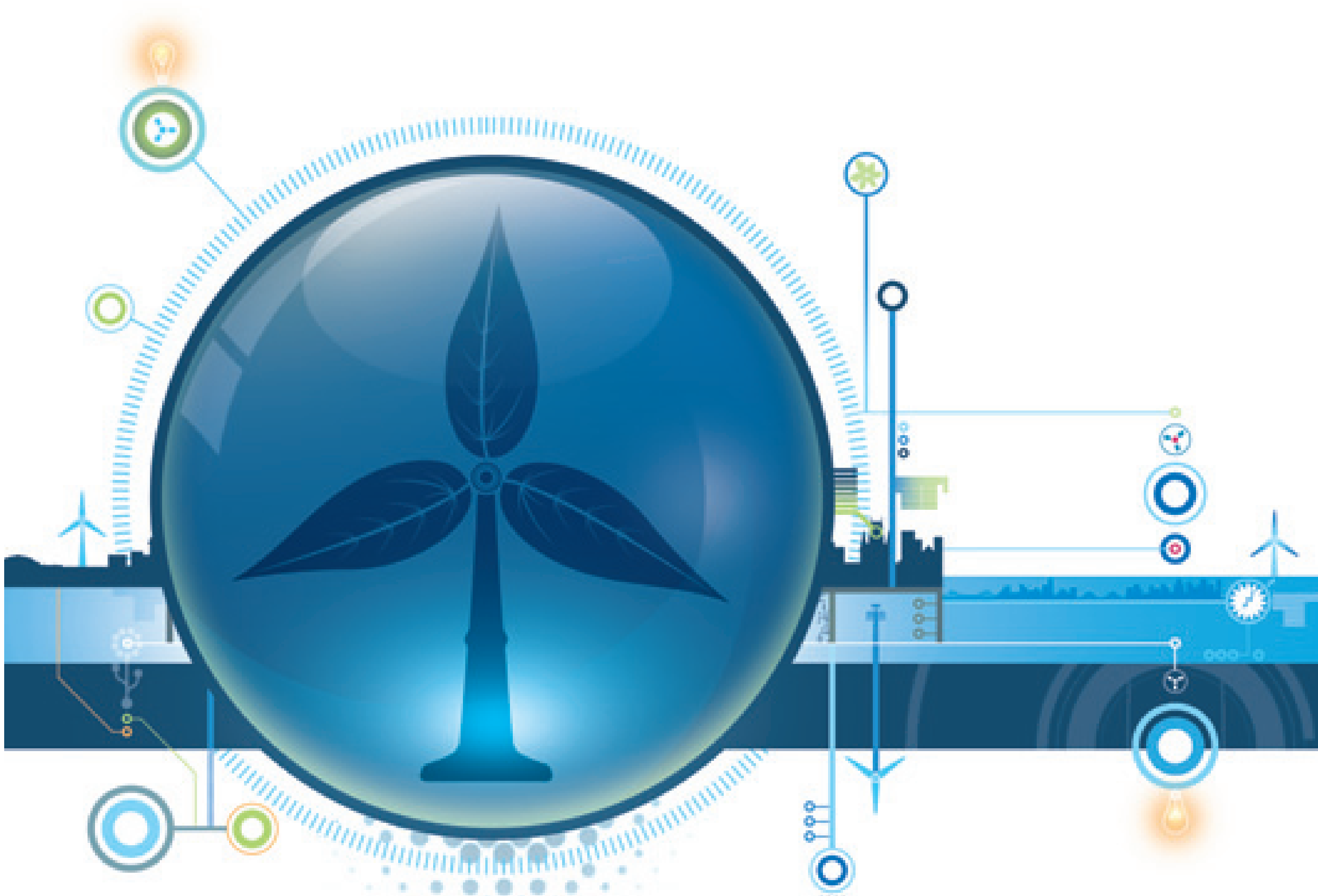
THE COMPANY REINVESTED ITS EARNINGS INTO NEW ASSETS AND BUSINESSES.

Going ahead, a proportion of the Company's consolidated revenues, expected to be derived from stable businesses with predictable revenues secured through remunerative government power purchase agreements are expected to increase from 10 percent in 2010-11 to 30 percent in 2012-13.

This predictable revenue inflow will translate into growing year-on-year revenues. This will be ploughed into green energy asset creation, creating a virtuous cycle of growth, liquidity and prosperity.

From here to stability.





INDIA POSSESSES 10 PERCENT OF THE WORLD'S THERMAL COAL RESERVES. YET, COAL SHORTAGE IS THREATENING THE CONVENTIONAL SECTOR'S GROWTH IN INDIA.

Interestingly, India ranks fourth in wind energy generation after China, US and Germany, as per the Renewable Energy Attractiveness Index *(Source: Ernst & Young)*.

This is one segment where the country appears to be capitalising on abundant resource availability.

Techno Electric is one of the few companies making the latter a reality.

The Company emerged among India's fastest-growing green energy companies harnessing the large potential in wind energy generation through the timely commissioning of equipment in attractive locations backed by remunerative power purchase agreements.

From black to green.

During 2010-11, our Company recorded an increase revenues with a 13 percent increase in EBIDTA and decline of 4.69 percent in profit after tax.

After reporting five years of straight growth, it would be important to emphasise that we see this aberration in PAT numbers as only a temporary interruption arising mainly out of a decline in other income.

Our growth journey is however on track and we expect to do better over the next two years when a couple of our important projects are progressively commissioned.

Operational review

Mr. P. P. Gupta,
Managing Director,
explains the Company's evolving business mix

The decline in profit after tax notwithstanding, the Company's progress during the year under review was creditable for an important reason: The Company booked total business of Rs. 1,000 crore for the first time in any year in our history, despite a slow order-inflow witnessed in the first half of 2010-11 across the industry. Though we did not suffer extensive attrition, there was a decline in the strike rate for new projects (from 10 percent to 5 percent) due to inexperienced industry-wide bidding. However, the trend is changing and a large number of customers are showing a preference to shift to performing agencies.

Besides, there was a need to reinvest in new business assets, which required us to disinvest our financial assets and redeploy them. The result was a decline in our non-core income during the year under review, which will be progressively replaced with income from our core activities.

Responding positively

Techno responded positively to these developments, reaching deep within its competencies to keep competition at bay and protecting its margins in the process. These are some of the initiatives that the Company embarked upon:

- We extended our presence in complex assignments marked by attractive fees and relatively low competition. For instance, we extended to an assignment to provide engineering solutions for a 765 KV sub station for the very first time in our existence; until then our Company had worked on a variety of projects only up to 400 KV projects. This tended to counter the decline in our strike rate for new projects with higher remuneration from challenging projects, an adequate de-risking in a competitive marketplace
- We forayed into the PPP segment with a project for the Haryana government, marked by relatively healthy competition on the one hand and a need for sophisticated bidding, with the funding risk lying with the bidder. We are optimistic of growing our presence in this space, as the central and state governments are expected to follow this model intensively. We have the first mover's advantage and expect to retain our leadership in the space.
- We planned to become bigger in the green energy space for some good reasons – the sector holds out sustainable growth prospects, the segment makes us relatively independent of EPC contracts and provides us with a safety net to bid for fewer projects with higher returns.

Building the business

Techno strengthened its ongoing business through timely investments, the implications of which will be fully felt from 2012-13 onwards.

The Company was awarded a project by the Haryana government to build, operate and maintain its transmission maintenance lines for a concession period of 25 years in exchange for sustainable annual revenues and the probable encashment (in full or part) of any increase in business value. At this point, the project is running a couple of months ahead of schedule with every possibility of its being commissioned in calendar year 2011. Since a number of Indian states are also proposing a similar model or outsourcing commissioning and maintenance, we stand to be favourably considered on account of our technical and financial capability on the one hand and our successful Haryana experience on the other. Besides, our experience in the sector and comfort in managing the project scale will serve as a competitive hedge against emerging competition.

The Company continued to scale its exposure in commissioning renewable energy projects. Until the close of the financial year under review, we had commissioned 15 MW of wind energy capacity in addition to having earlier acquired 95.45 MW. The entire capacity of 101.4 MW is scheduled to be commissioned by August end.

This business is attractive for the following reasons: Lower dependence on manpower, complete independence from fossil fuels or mines, use of hardware from credible vendors, predictable income flow and assured terms through credible power purchase agreements.

Going ahead, our strategy is to acquire a critical mass in green energy generation, generate attractive annual cash surpluses and deploy them back into asset building, creating a virtuous self-feeding cycle. In doing so, we expect to emerge as one of the largest green energy companies in India

Meanwhile, we expect to grow our competitive EPC business through successful bidding and leveraging an established reputation.

Outlook

Techno is attractively positioned for 2011-12.

The Renewable Energy Certificate (REC) incentive proposals by the government as well as a growing acceptance of the concept of independent renewable power producers will catalyse growth.

We expect that this reorganisation of our business will generate a significant part of our EPC assignments from within the Company, secure our revenues from marketplace volatility and provide us with attractive tax hedges that incentivise re-investment.

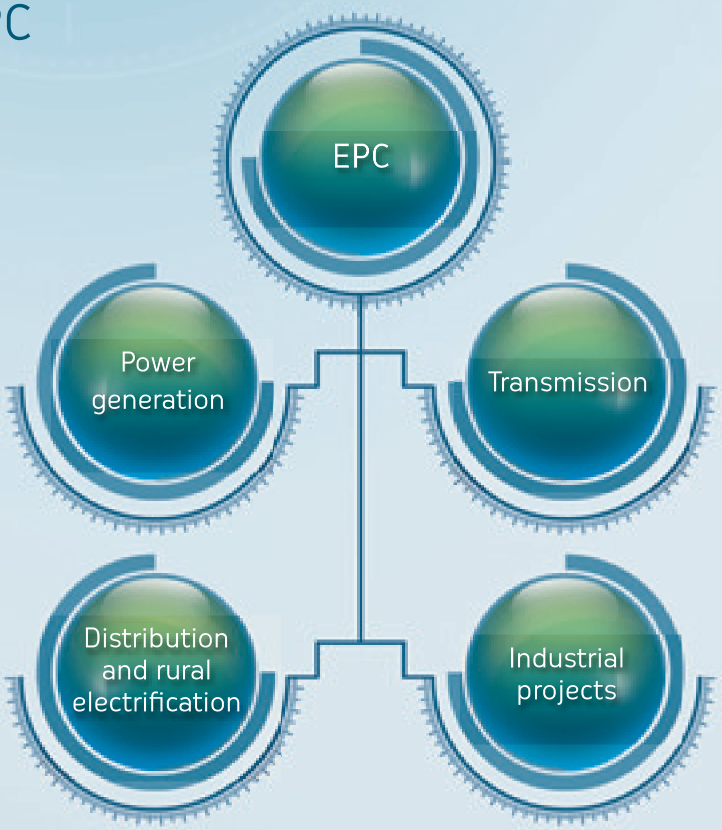
In view of these initiatives I see attractive growth for our Company, translating into enhanced value for all our stakeholders.

P. P. Gupta
Chairman and Managing Director

Business divisional review

Business segment - 1

EPC



Power generation

Following a growing preference for captive power plants by established industries, Techno emerged as an integrated solution provider in 2006. The result is that the Company now provides turnkey solutions for entire power plants.

The Company executed four projects in this segment for single units up to 40 MW capacity (upto 31 December 2010). The Company leveraged its rich longstanding experience in providing packages for balance of plant (BoP) for power plants and the installation of transmission substations.

The Company is scaling its capability in executing large projects. It is executing a 100 MW plant project and is capable of executing projects up to 250 MW for single units.

Transmission

As an extension of its presence in the power segment, Techno forayed into the transmission segment in 1963. Services comprised the construction of air-insulated and gas-insulated substations on EPC basis.

- In the air insulated segment, the Company builds substations from 132 KV to 765 KV

- In the gas-insulated substations, the Company builds substations up to 400 KV.

The Company was named the 'Best vendor in Eastern India' by Bharat Heavy Electricals Limited (BHEL).

The Company also installs overhead lines for transmission projects related to captive power plants. The Company covers the entire electrical package of the highest magnitude and complexity.

Distribution and rural electrification

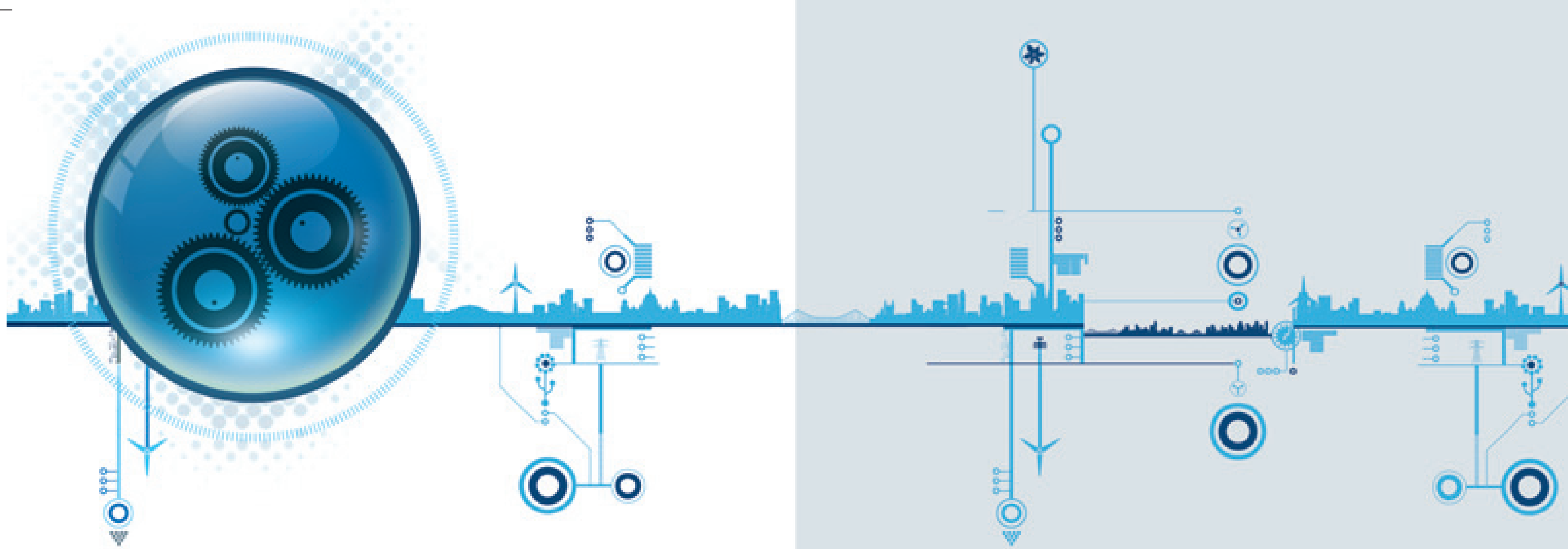
Techno Electric forayed into the distribution sector and rural electrification in 2004, following the introduction of APDRP scheme in 2000. The Company executed large rural and urban distribution packages, covering three districts in Assam, six districts in Bihar and Maharashtra.

Besides providing distribution solutions under the APDRP scheme, the Company also executes rural electrification projects under the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). The Company executed electrification projects covering more than 2,500 villages, 1,00,000 households and 1,00,000 consumers.

Industrial sector

Techno Electric extended into the industrial sector for the execution of various EPC projects in 1977, as the country witnessed various industrial projects which came up at that point. Over the years, the Company executed industrial projects in various segments including plant electrical and illumination, cabling projects, water and allied system, installation of fire protection system and oil handling plants, among others given below:

- Plant electricals and illumination system
- Oil handling plant for process industries
- Naphtha and diesel system for gas turbine-based power plants
- Water and allied system



Business segment - 2

Power generation

Overview

Following three decades of experience as a contractor in the power industry, Techno Electric extended into renewable energy generation through the acquisition of wind mill companies (95.45 MW) in 2009. The Company leveraged its rich insight into engineering and project management to enhance asset utilisation on the one hand and bring wind energy capital-cum-operating cost almost at par with thermal power generation.

Rationale

Techno Electric focused on growing its presence in the renewable energy segment (through direct commissioning or through related contracting assignments) for the following reasons:

- Green energy plants can be established in a mere six months compared with a thermal energy plant, which requires 48-60 months. The result is that green energy projects can be commissioned faster with corresponding revenue inflows
- Green energy plants can be installed in any size, depending on the Company's capital outlay and risk appetite. The result is that customer companies can scale their presence by utilising the cash flows derived out of the projects for onward reinvestment
- Green energy technology is stable; the operating parameters are standardised with predictable cash flows
- Green energy does not entail any CO_2 emission

Road ahead

The Company is already executing an additional power capacity of 101.4 MW in Tamil Nadu, creating a total installed capacity of 196.85 MW by August 2011 with the possibility of extension into alternative renewable energy forms (biomass, hydro projects, solar among others)

Business segment - 3

Transmission linkage

Overview

Techno Electric recognised the growing need to plug the power deficit. There was a reduction in power shortage from 86,001 MW in 2008-09 to 68,168 MW in 2009-10, indicating stronger capacity utilisation and power conservation improvement.

Techno Electric, in consortium, was successful in bagging an award for the establishment, operation and management of a 400-KV, 100-km long transmission link connecting 24 bay substations at Rohtak and Sonepat to evacuate 1,320 MW (2 x 660) from the Jhajjar power plant built by China Light and Power, Hong Kong. The Haryana government, for the first time in the country, introduced a pioneering PPP model with a viability gap funding to select bidders on a competitive basis for a concession period of 25 years (extendable by another ten years). This represented a milestone, incorporating the best efficiencies of the public and private sectors in consumer interest.

This emerging business segment is attractive from a number of perspectives:

- It entails design-build-finance-operate-transfer rights, resulting in wider revenue streams.
- The 25-year agreement translates into sustainable revenues.
- The Company stands to derive EPC revenues, annual returns and any increase in business value, which the Company can always divest (in full or part), should circumstances warrant.

Creating new benchmarks.

Project: *400/220 KV substation*
Location: *Bhiwadi, Rajasthan*
Customer: *Power Grid Corporation of India*
Scope: *Greenfield execution of substation including transformer, bay and civil works.*
Value: *Rs. 368.5 mn*

Project

This was the first major greenfield 2x315-MVA, 220 KV substation on EPC basis at Bhiwadi, Rajasthan, for Power Grid Corporation. The scope of the work covered the greenfield execution of the substation comprising 2x315-MVA 400/220 KV auto transformers and 4 bay (1 ½ breaker) 400 KV and 8 bay 220 KV, including all civil works with control room building, auxiliary buildings, road, drainage and other auxiliary systems (fire fighting, air-conditioning and emergency power, among others).

Delivery

The project was completed in 18 months, emphasising equipment quality, blending local architecture in the control room building and parallel working. The quality and execution was accepted by the customer as a benchmark. The substation was declared a Power Grid showpiece for all distinguished visitors. The substation delivered trouble-free performance for 10 years.

Complex project. Delighted customers.

Project: *APDRP for Assam State Electricity Board*
Location: *Guwahati, Assam*
Customer: *Government of India*
Scope: *Substation installation and revamp*
Value: *Rs. 500 mn*

Project

The scope of this Rs. 500 mn-plus APDRP (Accelerated Power Development and Revamping Project) comprised augmentation/renovation of eleven 33/11 KV substations aggregating 80 MVA, addition of 110 numbers of 250 KVA distribution transformers, revamping 616 DTs, construction of 13 km of 33 KV lines, 40 km of 11 KV lines and 20 km of LT lines along with the revamp of 20 km 33 KV, 60 km of 11 KV and 72 km of LT lines.

Delivery

The project was completed in 18 months in congested city areas, despite an extended monsoon and shutdown. This was a first high-value package of a similar nature containing all elements of public power distribution, achieved through planning, resource availability and a proper shutdown programme. Techno Electric wad declared 'Best Performer' of APDRP projects and awarded similar packages (Silchar and North Lakhimpur). The consumer's overall satisfaction increased from 4% to 50% in 18 months.

Robust business model. Attractive returns.

Business development

Techno Electric demonstrated global standards in planning, design, engineering, contracting and project management.

The Company raised its exposure in complex projects, extending from 400 KV to 765 KV substations for the first time, the latter comprising a Rs. 150 crore order from PGCIL

Industry potential

Green energy: The Company possesses a large part of the competence required in green energy generation projects. From 2002 onwards, renewable grid capacity in India increased almost five-fold, accounting for about 10.90 percent of the total grid installed capacity in India. Wind power accounts for 75 percent of the grid-connected renewable energy. Global wind energy potential is estimated at 72,000 GW – more than four times the current world energy consumption. The Indian wind energy sector possessed an installed capacity of 14,158 MW (as on March 31, 2011). In terms of installed capacity, India was ranked fifth in the world with a large untapped potential in commercialising wind energy possibility.

Transmission sector: A power transmission investment of Rs. 2,200 billion is projected over FY 12-17. The transmission segment capex is expected to grow 71 percent in the Twelfth Plan; about 100 GW power transmission capacity has been planned during this Plan period, which in turn will necessitate a widening of the country's transmission network.

Human capital

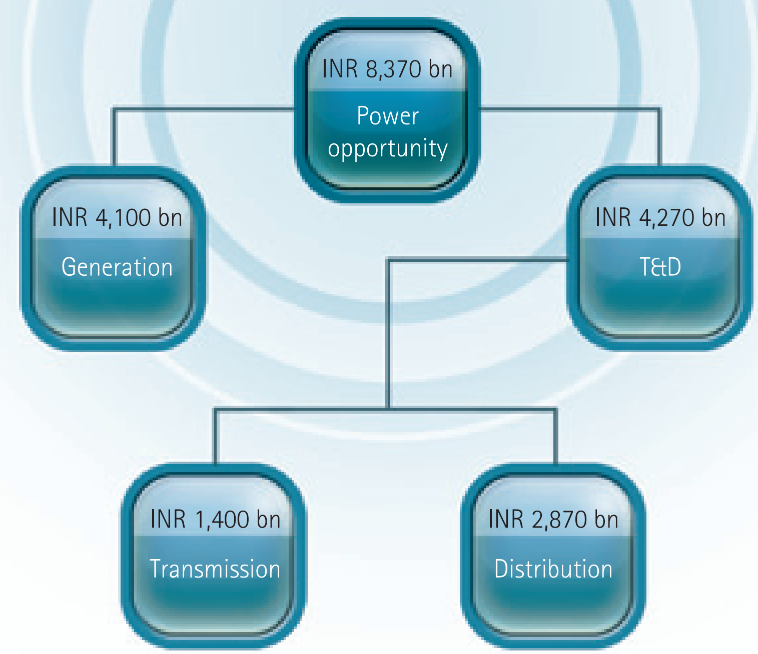
A positive work culture was established through transparency and collective participation across 500 employees (as on March 31, 2011). Employee development programmes helped enhance careers and job retention.

Future

The confidence of promoters in the Company was showcased through a strong 54.97 percent ownership of the total equity capital. By December 2011, the Haryana transmission capacity link is expected to be commercialised. Going ahead, the Company expects to increase the proportion of revenues derived from green energy from 10 percent to 50 percent by 2017 The Company is targeting a renewable energy capacity of 1,250 MW over the foreseeable future.

Investments to be made in India's power sector

As per XIth Five Year Plan



India ranks second in Asia and fifth globally in terms of installed wind power capacity

(in MW)

Country	End of 2009	Additions in 2010	End of 2010
China	25,805	18,928	44,733
India	10,926	2,139	13,065
Japan	2,085	221	2,304

(Source: Global Wind Energy Council Report)

Management discussion and analysis

1. Global economy

The global economy grew by 4.8 percent in 2010 as compared with 2.9 percent in 2009. This was primarily due to reasonable growth in advanced economies, coupled with robust growth in emerging economies. The growth in emerging and developing economies was propelled by entrenched private demand.

GDP growth (in percent)

	2009	2010
Global	(2.9)	4.8
Advanced economies	(4.8)	2.7
Emerging economies	0.3	7.1
Size of the global economy (USD tr)	57.8	62.0

2. Indian economy

The Indian economy surpassed the government estimates of GDP growth of 8.5 percent during the onset of 2010-11, posting a growth of 8.6 percent. The growth in the economy was led by the industrial and service sectors, which rode on their previous year's growth. The confidence in the Indian growth story was reflected in record FII inflows into the economy and a revival in the domestic investor confidence, helping the Indian stock markets regain pre-crisis record levels. Net capital inflows increased USD 13.7 bn to USD 36.7 bn as on March 31, 2010; foreign exchange reserves grew USD 20 bn to USD 303.50 bn.

3. Power sector overview

The country added more than 10,210 MW of power generation capacity in 2010-11 - the highest addition to the country's power generation capacity in a single fiscal since independence. The total electricity generation in the country increased from 420.6 billion units (BU) during 1997-98 to 597.61 bn units during April-December 2010 and yet, India suffered a peak demand shortage of around 10.5 percent and energy deficit of 8.2 percent.

Installed capacity

According to the Ministry of Power, India's installed capacity as on January 31, 2011 was 1,70,228.86 MW (thermal power plants accounted for 65.37 percent and renewable energy 9.86 percent).

India's power generation capacity *(figures in MW)*

Thermal	Nuclear	Hydro	RES*	Total
1,11,294.48	4,780.00	37,367.40	16,786.98	1,70,228.86

[Source: Ministry of Power]

*Renewable energy sources (RES) includes small hydro projects, biomass gasifier, biomass power, urban and industrial power and wind power.

Unachieved targets

Despite the seemingly positive performance in 2010-11, India will miss the reduced accretion target of 62,374 MW during the Eleventh Plan (2007-12). The government reduced the original Eleventh Plan target of 78,577 MW and is likely to add only 55,000 MW during the Plan period. Going ahead, the government set an ambitious 100,000 MW generation target during the Twelfth Plan (2012-17) period.

Capacity addition (last five years) *(in MW)*

Year	Central	State	Private	Total
2005-06	1,420	1,488	660	3,568
2006-07	3,890	1,671	1,291	6,852
2007-08	3,240	5,273	750	9,263
2008-09	750	1,821	882	3,453
2009-10	2,180	3,118	4,287	9,585
2010-11 (April'10 – January'11)	2,580	2,509	5,121	10,210

(Source: Ministry of Power)

Mounting losses

T&D losses in India are higher than most under-developed/developing countries. The reduction in AT&C losses have not been uniform throughout the country. Increased participation by the private sector in the transmission and distribution segments is a positive step, which will result in a reduction of transmission losses. According to CEA, around 20 GW of generation capacity is expected to be added through IPP/MPP's, resulting in a higher participation by the country's private sector.

Budget 2011-12

The Indian power sector received a necessary boost, following an increase in the import duty on foreign power generation equipment and a parallel excise duty exemption for domestic suppliers producing capital goods, needed for expansion of existing mega or ultra mega power projects. These actions will enhance the competitiveness of domestic manufacturing firms.

- The Union Budget (2011-12) for the New and Renewable Energy Ministry was hiked 20 percent to Rs. 1,212 crore compared with Rs. 1,008.50 crore in the previous year.
- A sum of Rs. 176 crore was allocated for developing renewable energy for rural applications.
- The government initiated the National Solar Mission with a plan to generate 20,000 MW through the solar route by 2022.
- A sum of Rs. 77.50 crore was sanctioned to the Ministry for research, design and development in renewable energy.

(Source: Ministry for New and Renewable Energy, Business Standard, April 25, 2011)

4. Transmission sector

Transmission projects continue to be 'high priority', augmented by the need to evacuate power from generating stations to load centres and strenghtening national grid. Traditionally, industry investments in India were always weighted towards power generation over transmission (2:1 against an ideal 1:1). Electricity transmission comprises bulk power transfer over long distances at high voltage (generally 132 KV and above).

Substation MVA/MW	Existing by 10th Plan	Additions in 11th Plan	Total by March 2012	Estimated additions in 12th Plan
HVDC terminal capacity	8,200	6,000	14,200	16,000 to 22,000
765 KV	-	53,000	53,000	1,10,000
400 KV	92,942	52,058	145,000	80,000
230/220 KV	156,497	73,503	230,000	95,000

(Source: CEA)

Rural electrification

In 2010-11, up till 15th February 2011, 14,433 villages were electrified, while 63,953 already-electrified villages were intensively electrified and connections to 47,83,907 BPL households was provided.

5. Renewable energy overview

The drivers of renewable energy comprise the following: environment friendliness, affordability, lower consumption of fossil fuels and no carbon emissions. India's installed renewable energy capacity of 16.8 GW provides scope for growth across the small hydro, biomass gasifiers, biomass power and water power projects. India is the world's fifth-largest renewable power generation country, wind power accounting for about 70 percent of the total capacity.

Wind power

India's wind power potential is estimated at 48,000 MW. By 2022, India expects to commission 38,500 MW wind power capacity with a large part of investments from the private sector in Tamil Nadu, Gujarat, Maharashtra, Karnataka and Rajasthan. Ernst and Young ranked India the fourth most attractive country for renewable energy investment in the world (after United States, China and Germany).

Government incentives

- The central power regulator made it mandatory for all power utilities to purchase 6 percent green power of the total installed capacity in a year.
- Renewable Energy Certificates trading commenced at PXIL from March 30, 2011 and on the Indian Energy Exchange from February 23, 2011.
- The Government of India set the share of renewable energy in the overall energy procurement of utilities at 10 percent (minimum) by 2015 and 15 percent (minimum) by 2020.
- Ministry of Renewable Energy announced a generation-based incentive of Rs. 0.5/unit to a maximum of Rs. 62 Lakhs per MW in addition to the applicable tariff for power generators for a four to ten year period.

6. Outlook

- India's power demand is estimated to grow 7.8 percent between 2010 and 2015, on back of GDP growth of 8 percent to 8.5 percent against which 95 GW is expected to be added (33 GW addition over the previous five years). The incremental capacity addition is expected to warrant an investment of Rs. 9.3 trillion (Source: CRISIL).
- The Ministry of Power and Central Electricity Authority (CEA) projected a USD 4.30 bn power industry renovation and modernisation programme, which will extend the life span of old power plants during the Eleventh and Twelfth Five Year Plans. Of this, USD 1.50 bn is planned for the Eleventh Plan and USD 3 bn for the Twelfth Plan. (over the investment of USD 213.70 bn proposed for the capacity addition of 78,700 MW in the Eleventh Plan and USD 235.10 bn for 94,431 MW in the Twelfth Plan).

7. Risk Management

RISK MANAGEMENT IS A VITAL, INHERENT, INTEGRAL AND INEVITABLE PART OF ANY BUSINESS UNDERTAKING. THE PURPOSE OF RISK MANAGEMENT IS TO DE-RISK THE BUSINESS FROM THE VARIOUS RISKS ASSOCIATED WITH THE BUSINESS IF NOT COMPLETELY ELIMINATE IT. WE AT TECHNO-ELECTRIC AND ENGINEERING COMPANY LIMITED DEVELOPED A MANAGEMENT FRAMEWORK THAT ENABLES US TO IDENTIFY POTENTIAL RISKS , MEASURE THEIR IMPACT AND UNDERTAKE COMMENSURATE DE-RISKING MEASURES WHICH ARE DISCUSSED ON THE FOLLOWING PAGE:

Business portfolio risk

A single business may hamper growth in case of a downturn.

- McKinsey estimates that India's power demand will increase to 315 GW–335 GW by 2017 if India continues to grow at an average 8 percent. This will require a five- to ten-fold rise in power generation so the question of a sectoral downturn appears misplaced
- There was a 20 percent hike for renewable energy in Budget 2011-12
- We are one of India's largest EPC contracting companies with a presence in all three industry segments – generation, transmission and distribution – which represents adequate de-risking.

Client concentration risk

Even a handful of strong local clients can pose a threat to the existence of the Company in the event of attrition.

- Although a majority of the Company's revenues were derived from government bodies or public sector units, the Company catered to private sector clients as well

Technology obsolescence risk

The Company can be a victim of technology obsolescence.

- Techno invested in state-of-the-art technology like computerised engineering services and mechanised field operations in addition to quality management.

Financial closure risk

Poor repayment capacity can affect business growth especially in the case of EPC contracts.

- The Company works with financially robust clients, a number of them leaders in their respective market segments; in most cases, the Company works with them following financial closure

Segment risk

The Company may be present in relatively flat segments of a rapidly growing industry.

- To de-risk from an excessive dependence on one business segment, the Company widened its presence across three spaces – EPC contracting services, green energy generation and development, operations and maintenance of transmission network.
- By 2012, state electricity boards may be compulsorily required to source 6 percent of their energy needs from non-conventional sources and 1 percent incremental till 2020; the Company's presence as a green power company will enhance relevance.

8. Internal control systems and their adequacy

The Company has an adequate internal control system, commensurate with the size and nature of business, with regard to purchases of inventory and fixed assets and for sale of goods and services. The system is upgraded continuously to meet statutory requirements and changing business conditions

9. Financial performance

During the year, the Company posted a consolidated gross revenue of Rs. 71,661.03 Lakhs, increasing marginally from last year on account of slow growth observed across the industry. The Company recorded a consolidated net profit of Rs. 11,278.25 Lakhs for the year under review.

10. Human resource development and industrial relations

Human Resource played a pivotal role in any growing organization. The Company has taken various steps to mobilise quality manpower to cater to its need. The Company added an adequate number of employees in the year under review, and committed to do the same on a regular basis as per future requirements. There were 500 employees as on March 31, 2011 and expected to grow further in coming years. Cordial relationships have been maintained across all levels.

11. Cautionary statement

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates, expectations may be forward-looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Factors that could make a difference to the Company's operations, inter-alia, include the economic conditions, government policies and their related/ incidental factors.

Corporate Social Responsibility

TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED and its Group companies are actively involved in CSR activities. More than 2 percent of its bottomline was set aside for CSR activities by the parent Company to be deployed through its charitable arm "Oriental Charitable Foundation".

CSR activities and the projects undertaken can be classified into the following major categories - education, healthcare, livelihood projects

Education projects

The education projects are mainly undertaken through the following three Institutions:

Akshaya Patra Foundation: The organisation presently supplies free meals to 1.3 million students daily. We adopted 60 schools through the initiative.

Friends of Tribals Society: This institution creates one-teacher schools in remote areas for tribal welfare. We presently own 10 schools under this initiative.

Utsarga Charity: Utsarga is involved in providing school, art workshop and computer training to underprivileged children.

Health care

Eye hospital:
Through the Lions Club of Howrah Trust, the organisation set up an eye hospital-cum-general purpose ward for medical treatment. The eye hospital has advanced features like OT facilities with 100 percent power back-up, Glaucoma treatment facilities, among others.

The Umrao Institute of Medical Science & Research Trust:
The Institute undertakes the medical expenses for around 250+ patients every year. The Trust is presently engaged in building a Rs.100+ crore state-of-the-art multi-specialty hospital.

Livelihood projects

We enabled various organisations to undertake programmes in technical education, skill building (development and training), women's empowerment and placing volunteers at the rural level for child welfare, family planning, among others.

Gian Sagar Group of Institutes
The Institute provides medical, technical, vocational education and health facilities. It also offers job-oriented courses for women and underprivileged sections.

Directors' Report

To,

The members of

Techno Electric & Engineering Company Limited

Your Directors take pleasure in presenting the 6th annual report, along with the audited accounts of the Company, for the year ended March 31, 2011.

Financial results

Your Company's operations during the financial year ended March 31, 2011 which comprises the EPC business and energy sale (power) business resulting in:

(Rs. in Lakhs)

	Year ended March 31, 2011	Year ended March 31, 2010
Profit before interest and depreciation	15,930.63	16,435.22
Less : Interest	1,824.56	1,282.72
Depreciation	1,505.11	1,467.15
Profit before tax	12,600.96	13,685.35
Provision for taxation (including deferred income tax, fringe benefit tax and security transaction tax)	2,511.92	2,303.99
Profit after taxation	10,089.04	11,381.36
Acquired on Amalgamation	-	1.24
Balance brought forward from previous year	1.52	(346.62)
	10,090.56	**11,035.98**
Appropriations		
Transfer to general reserve	8,763.00	7,883.00
Transfer to Debenture Redemption Reserve	-	1,820.00
Proposed dividend	1,141.82	1,141.82
Provision for tax on proposed dividend	185.23	189.64
Surplus carried to balance sheet	0.51	1.52
	10,090.56	**11,035.98**

Dividend

Your Directors recommended a dividend of Rs. 2 per equity share of a nominal value of Rs. 2 each.

Review of operations

The Company operations in 2010-11 comprised EPC business and generation and sale of energy. During the year, the Company achieved a turnover of Rs. 68,110.81 Lakhs and profit after tax of Rs. 10,089.04 Lakhs. The Company operates mainly in two segments i.e. EPC and energy sale (power) within the power sector.

Energy sale (power)

The Company is engaged in power generation through wind turbine generators (WTGs) at various locations in Tamil Nadu and Karnataka with a total aggregate-rated generating capacity of 45 MW. The Company sold 95.28 million units of energy (power) during 2010-11, earning a revenue of Rs. 3,228.72 Lakhs.

EPC Business

During the year 2010-11 the following projects were completed successfully:

1. Turnkey execution of 220 KV Switchyard (Extension) package for Harduagunj Thermal Power Plant (2x250MW) of UP Rajya Vidyut Utpadan Nigam Ltd, Lucknow under Technical Consultancy of NTPC Limited.
2. Turnkey execution of R&M Package for 220/132/33 KV Grid Sub-Station at Biharsheriff and 132/33 KV Grid Sub-Station at Baripahari for BSEB, Patna.
3. Extension Bays work for Sub-Station Package-C for Sub-Transmission system associated with BSTS, Phase-II, Part-II of BSEB from Power Grid Corporation of India Ltd, Patna.
4. 220/132/33 KV Koderma Sub-Station including D/C LILO of 132 KV Barhi-Koderma Line for DVC.
5. Supply, fabrication, erection and installation of Aluminium Busbar to supply 390 KA Power Distribution system for Aluminium Smelter Expansion Projects (Phase-II), Jharsuguda, Orissa for Vedanta Aluminium Ltd.
6. Ash Water Re-circulation and Treatment System package for Farakka STPP, Stage-III (1x500 MW) and Korba STPP, Phase-II (1x500 MW) of NTPC Ltd.
7. Fuel Oil Handling System for 2 x 500 MW Units at Durgapur TPS of DVC, West Bengal for BHEL, New Delhi.
8. Fuel Oil Handling System for 2 x 500 MW Units at Koderma TPS, Jharkhand of DVC, West Bengal for BHEL, New Delhi.
9. Miscellaneous Tank package for 2 x 500 MW Units at Durgapur TPS of DVC, West Bengal for BHEL, New Delhi.
10. Miscellaneous Tank package for 2x500 MW Units at Koderma TPS, Jharkhand of DVC, West Bengal for BHEL, New Delhi.

The following projects are on-going and are in an advanced stage of completion and are expected to be completed as per schedule:

1. Cabling, earthing, lightning protection, illumination, plant communication system, DC power supply system and stand-by power supply system for Harduagunj Power Plant extension (2x250 MW) for UP Rajya Vidyut Utpadan Nigam Ltd, Lucknow through NTPC Consultancy Ltd.
2. Turnkey supply of Station Piping Package including Fuel Oil System for Vallur Thermal Power Project (3x500 MW) of NTPC-Tamil Nadu Energy Company Ltd.
3. Station Piping package for Bongaigaon Thermal Power Plant (3x250 MW) for NTPC Ltd, New Delhi.
4. Ash Water Re-circulation package for Simhadri Thermal Power Project for NTPC Ltd, New Delhi.
5. Turnkey execution of 400/132 KV Switchyard for Kameng Hydroelectric Project (Package-VI), Arunachal Pradesh for NEEPCO Ltd, Shillong.
6. Turnkey execution of 220/132 KV End Bay works under Package-LL1A and LL2A of Partnership Agreement with MSETCL as associate of KPTL, Ahmedabad.
7. Turnkey execution of 132/33 KV Sub-Station along with 2 Nos. 132 KV Line Bays at 220/132/33 KV Satgachia Sub-Station (Extension) in Bardhaman District of West Bengal for WBSEB.
8. Turnkey construction of 132/33 KV Sub-Station at Kurseong, Darjeeling for West Bengal State Electricity Transmission Co Ltd.
9. Supply, erection, testing and commissioning of power infrastructure work comprising Sub-Transmission lines, 33/11KV new Sub-Stations, Augmentation of existing Sub-Stations, installing new and augmentation of existing Distribution Transformers of varying capacities, renovation and modernization work in Bhokar and Nanded Divisions under Nanded Circle of Latur Zone for Maharashtra State Electricity Distribution co Ltd.
10. Turnkey execution of RGGVY work in Madhepura and Saharsa Districts of Bihar in XIth Plan for BSEB, Patna.

During the year the Company was exceptionally successful in bagging many prestigious orders aggregating more than Rs. 1,000 Cores, the major amongst them are:

1. Supply of 2 x 24 Bays, 400/220 KV, 1500 MVA Sub-Stations on turnkey basis for Jhajjar Power Transmission System at Rohtak and Sonepat.
2. Establishing of 2x315 MVA, 400/220/33 KV Sub-

Station at Chittorgarh and 400/220 KV Bays at existing 400 KV GSS Bhilwara of Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur.

3. Construction of new 132 KV Sub-Stations under Assam Power Sector Enhancement Investment Programme of Assam Electricity Grid Corporation Ltd.
4. Turnkey execution of 400 KV Sub-Stations at Ashta, Pithampur and Chhegaon of Madhya Pradesh Power Transmission Co Ltd.
5. Turnkey execution of 132 KV Sub-Stations at Nathnagar, Chakia, Siddequipur of UP Power Transmission Corporation Ltd, Lucknow.
6. Execution of field works including ETC work for installation of 73 Nos. 765 KV Reactors Package of TBEA Shenyang Transformer Group Co. Ltd at different locations in Northern India for Power Grid Corporation of India Ltd.
7. ETC of 765 KV Switchyard for 6x660 MW Sasan Ultra Mega Power Plant at Singrauli of Reliance Infrastructure Ltd.
8. 1 x 45 MW Captive Power Plant at Rourkela (Orissa) for Adhunik Metaliks Ltd – Supply of BOP Package of Thyssenkrupp Industries India Pvt Ltd.
9. Turnkey execution of Fuel Oil Handling and Storage system for 1x231 MW IOCL Paradip Refinery through BHEL, New Delhi.
10. Supply, erection and commissioning of Fuel Oil Handling system for 2x600 MW Shrisingaji Thermal Power Project through BHEL, New Delhi.
11. Engineering, procurement of materials, proto making, fabrication, erection, alignment, orientation, inspection, testing etc. of the 360 KA Busbar system meeting Aluminium Pachiney's specifications and norms for Mahan Smelter Project of Hindalco Industries Ltd in Madhya Pradesh.

Transmission business

The work for developing 400 KV, 1,500 MVA and 100 km transmission link, in Jhajjar district of Haryana in the PPP model is progressing satisfactorily and your Company expects to commission the same on schedule.

Subsidiaries

Simran Wind Project Private Limited (Simran), a wholly-owned subsidiary of the Company is solely engaged in wind power generation. During the year, your Company has moved further in its vision to become a major power producer from renewable energy sources and commissioned another 15 MW wind mills in the state of Tamil Nadu. With this the total generation capacity in Simran has become 65.45 MW.

In terms of the general circular no. 2/2011 dated February 8, 2011 issued by Ministry of Corporate Affairs, Govt. of India, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary company are not attached. The annual accounts of the subsidiary company and the related detailed information shall be made available to the interested shareholders of the Company and the subsidiary company at any point of time. The annual accounts of the subsidiary company shall also be kept for inspection at the registered office of the Company. The consolidated financial statements prepared in compliance with AS-21 and the relevant information of the subsidiary as per the aforesaid circular form part of this annual report.

Future outlook

Currently, India is one of the world's fastest-growing economies, growing annually at around 7 percent over the past five years. However, the country's energy sector has not kept pace with increasing demands, and there is an urgent need to increase its installed energy capacity.

India is ranked fifth globally in terms of its installed wind energy capacity, and is one of the world's emerging players. According to Indian Wind Energy Association estimates, there is an upside to utilising wind energy for generating electricity to the tune of 65,000 MW.

The Indian wind energy market will remain an attractive prospect for independent power producers, owing to the country's resilient economy and the pro-wind policies adopted by central and state governments. Some of them are tax and duty exemptions on wind turbines and other components. Also, the start of the Generation-based Incentives (GBI) and Renewable Energy Certificate scheme will promote investments by large independent power producers.

Directors

Mr. K. Vasudevan, Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. A brief profile of Mr. Vasudevan is attached with the Corporate Governance report.

Listing of shares

The equity shares of the Company were listed on November 10, 2010 with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. The listing application with the Calcutta Stock Exchange Ltd is under process as on the date of this report.

Auditors

The Auditors, M/s. S. S. Kothari & Co., Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Auditors' Report

The comments by the Auditors in their report are self-explanatory and, in the opinion of the Board, do not require any further clarification.

Corporate Governance

A separate report on Corporate Governance is annexed to this report.

Management discussion and analysis

A management discussion and analysis report is annexed and forms an integral part of the annual report.

Directors' responsibility statement

Your Directors confirm:

i) That in the preparation of the annual accounts, the applicable Accounting Standards were followed, along with proper explanation relating to material departures
ii) That the selected accounting policies are reasonable and prudent so as to give a true and fair view of the Company's state of affairs and profit at the end of the financial year, and applied them consistently;
iii) That proper and sufficient care was taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities
iv) That the accounts for the period ended March 31, 2011 are on a going-concern basis

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. Conservation of energy

As the Company's activities do not involve, by and large, any significant level of energy consumption, no comments are necessary in respect of energy conservation and reduction of energy consumption. In any event, continuous efforts are made to conserve energy to the extent possible.

B.Technology absorption

As required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, particulars relating to technology absorption as per Form B is annexed (Annexure – A).

C. Foreign exchange earning and outgo

Foreign exchange earning	-	Rs. 5,419.78 Lakhs
Foreign exchange outgo	-	Rs. 361.18 Lakhs

Employees

The relation between the employees and the management continued to be cordial and stable at all levels. Your Directors wish to place on record their appreciation for the devoted services of all the Company's executives and staff.

During the year, no employee was in receipt of remuneration of or in excess of the amount prescribed under Section 217 (2A) of the Companies Act, 1956.

Acknowledgements

Your Directors wish to express their thanks to the shareholders, various customers and their consultants, different government departments and the Company's bankers for their continued support to the Company.

For and on behalf of the Board of Directors

Place: Kolkata,
Dated: July 16, 2011

K. M. Poddar
Director

P. P. Gupta
Managing Director

Annexure 'A' to the Directors' Report

Technology absorption

FORM – B

Disclosure of particulars with respect to technology absorption as per Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' report for the year ended March 31, 2011

Technologies absorbed:

Research and development (R & D)

1. Specific areas in which R&D was carried out the Company	:	NIL
2. Benefit derived as a result of the above R&D	:	N.A.
3. Future plan of action	:	None
4. Expenditure on R&D	:	N.A.
5. Technology absorption, adaptation	:	Constant efforts are made by the Company to develop cost-effective new products/systems.

For and on behalf of the Board of Directors

Place: Kolkata,
Dated: July 16, 2011

K.M. Poddar
Director

P. P. Gupta
Managing Director

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company

Sl. No.	Name of the subsidiary	Simran Wind Project Private Ltd.
1.	Financial year of the subsidiary ended on	March 31, 2011
2.	Date from which it became the subsidiary	November 20, 2009
3.	Share of the subsidiary held by the Company as on March 31, 2011	
	a) Number and Face Value	15,14,00,400 equity shares of Rs. 10 each fully paid up.
	b) Extent of Holding	100 percent
4.	The net aggregate amount of the subsidiary company's Profit (Loss) so far as it concerns the member of the Holding Company –	
	a) Not dealt with in the Holding Company's Accounts	
	i) For the financial year ended March 31, 2011	Rs. 11,89,20,136
	ii) Upto the previous financial years of the subsidiary company	Rs. 6,80,46,799
	b) Dealt with in the Holding Company's Accounts	
	i) For the financial year ended March 31, 2011	
	ii) For the previous financial year of the subsidiary company, since it become the Holding Company's subsidiary	

For and on behalf of the Board of Directors

Place: Kolkata,
Dated: July 16, 2011

K. M. Poddar
Director

P. P. Gupta
Managing Director

Report on Corporate Governance

Company's philosophy on Corporate Governance :

The Company is committed to the basic principle of Corporate Governance which includes right and equitable treatment of shareholders, protecting the interest of stakeholders, appropriate mix of skilled Executive and Non-Executive Directors on the Board, integrity and ethical behaviour within the organisation. Also, the Company believes in proper disclosure, transparency and accountability, investor protection and compliance with laws, rules and regulations for the benefit of all stakeholders.

The Company complied with the requirements of Code of Corporate Governance as mentioned in Clause 49 of the Listing Agreement and the disclosures are as follows:

Board of Directors:

The Board of Directors is constituted in compliance with Clause 49 of the Listing Agreement. There are six members, out of which five members are Non-Executive Independent. The Company has an Executive Chairman (Managing Director).

Six meetings of the Board have been held during the year on June 24, 2010, June 28, 2010, July 10, 2010, July 17, 2010, November 10, 2010, January 27, 2011.

The details of Directors, Directorships and Committee Positions held in other public limited companies, attendance at Board Meetings and Annual General Meeting etc. are provided here in below:

Name of the Director	Category	No. of other Directorships	No. of other Committee Positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting
			Chairman	Member		
Mr. P. P. Gupta $ Managing Director	Executive	3	–	–	5	Yes
Mr. K.M.Poddar @ Director	Independent Non-Executive	2	1	1	3	–
Mr. V.D. Mohile @ Director	Independent Non-Executive	1	–	–	3	–
Mr. K.Vasudevan @ Director	Independent Non-Executive	1	1	–	2	–
Mr. K. K. Rai @ Director	Independent Non-Executive	6	1	7	3	–
Mr. S. N. Roy Director	Independent Non-Executive	6	–	1	5	Yes
Mr. P. K. Lohia # Director	Independent Non-Executive	11	–	–	3	–
Mr. Rajiv Agarwal # Director	Independent Non-Executive	7	–	–	3	–

$ Appointed as Managing Director w.e.f. June 28, 2010.

@ Appointed as director w.e.f. June 24, 2010.

 # Resigned from the directorship w.e.f. July 17, 2010.

Details of Directors seeking appointment/ reappointment

Mr. K. Vasudevan, aged 70 years, residing at 12, 7th Cross, Karpagam Gardens Adyar Chennai – 600020, is a Bachelor of Engineering (Electrical) and a fellow-member of the Institute of Engineers and Institute of standard Engineers. He is associated, as Chairman, with the Green Business Centre for the Southern region. He is a member of the National Committee on Power of CII and was a past-President of the Indian Electrical and Electronics Manufacturers Association. He was the Joint Managing Director of Alstom India Limited and is now an independent Director in Alstom Projects India Limited. He does not hold any shares in the Company and also has no relationship with any other director. He is liable to retire at the ensuing Annual General Meeting and seeking reappointment for the office of Director.

Disclosure on relationship between Directors

The Directors have no relationship between themselves except as Board colleagues.

Remuneration of Directors

The Board has fixed the remuneration by way of sitting fees payable to the Non-Executive Directors including Independent Directors, which is within the limits prescribed by the Companies Act, 1956. There is no other remuneration paid/payable to the Non-Executive Directors except the sitting fees.

Directors' Shareholding

As on March 31, 2011, Mr. P. P. Gupta, Mr. V. D. Mohile and Mr. K. K. Rai hold 1,53,000, 9,302, and 1,000 equity shares of the Company respectively.

Code of Conduct

All Board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2011.

Audit Committee

The Audit Committee comprises four Non-Executive Independent Directors having sound financial and accounting knowledge:

Mr. K. Vasudevan	-	Non-Executive (Independent)	-	Chairman
Mr. K. M. Poddar	-	Non-Executive (Independent)	-	Member
Mr. V. D. Mohile	-	Non-Executive (Independent)	-	Member
Mr. K. K. Rai	-	Non-Executive (Independent)	-	Member

Mr. N. Brahma, Company Secretary acts as the Secretary to the committee.

Three meetings of the Audit Committee were held on July 17, 2010, November 10, 2010, January 27, 2011. The attendance by members are as follows:

Name	Number of Attendance
Mr. K. Vasudevan, Chairman	2 (Two)
Mr. K. M. Poddar, Member	3 (Three)
Mr. V. D. Mohile, Member	3 (Three)
Mr. K. K. Rai, Member	3 (Three)

P. P. Gupta, Managing Director, Mr. P. K. Lohia, President (Finance), Mr. N. M. Bachhawat, Sr. Dy. General Manager (Accounts), representatives of the Statutory Auditors and Internal Auditors of the Company also attended the meetings.

The Audit Committee is entrusted with the following powers:

1. To investigate any activity within the terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if considers necessary.

The role of the Audit Committee has been defined by the Board, which includes the matters prescribed in Clause 49(II)(D) of the Listing Agreement. The Audit Committee is also empowered to review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

Remuneration Committee:

The Company has constituted a Remuneration Committee comprising of three Independent Directors. The Committee shall determine and recommend the remuneration payable to the Non-Executive Directors and the Managing Director, among others.

Shareholders'/Investors' Grievance Committee:

The Company has a Shareholders'/Investors' Grievance Committee comprising of three Non-Executive Independent Directors. The Committee addresses the grievances of shareholders. During the year, the Company has not received any complaints.

Mr. N. Brahma, Company Secretary is the Compliance Officer.

Share Transfer Committee:

To expedite the process of transfer/transmission of physical shares which are very negligible, a Share Transfer Committee is in place. The Committee approves the share transfers/transmissions and a summary of transfer/transmission is placed before the Board at regular intervals.

General Body Meetings:

Particulars of General Body Meetings for the last three years:

Financial Year Ended	Day & Date	Venue	Time	No. of Special Resolutions Passed
March 31, 2008 AGM	Saturday, July 26, 2008	The Calcutta School of Music, 6B, Sunny Park, Kolkata-19	11.00 a.m.	Nil
March 31, 2009 AGM	Thursday, September 25, 2009	The Calcutta School of Music, 6B, Sunny Park, Kolkata-19	10.30 a.m.	3
March 31, 2010 AGM	Saturday, September 18, 2010	Bhartiya Bhasa Parisad, 36, Shakesphere Sarani, Kolkata-17	11.30 a.m.	2
EGM	Wednesday, March 17, 2010	Bhartiya Bhasa Parisad, 36, Shakesphere Sarani, Kolkata-17	3.30 p.m.	1
EGM	Wednesday, June 30, 2010	P-46A, Radha Bazar Lane Kolkata – 1	11.30 a.m.	2

None of the business required to be transacted at the ensuing AGM is proposed to be passed through postal ballot.

Subsidiary Companies:

The Company has a material non-listed Indian subsidiary company, and an Independent Director of the Company is also a Director of the subsidiary. The financial statement of the subsidiary was reviewed by the Audit Committee on a quarterly basis. The minutes of the subsidiary was placed before the Board of Directors and perused on regular basis.

Disclosures:

1. There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, Directors or the management or their relatives etc. (except the payment of remuneration to the Managing Director and a relative of Managing Director), during the year, that may have potential conflict with the interest of the Company at large.
2. There was no non-compliance by the Company during the last year on any matter related to the capital markets and no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.
3. No treatment different from the prescribed Accounting Standard has been followed in the preparation of the financial statements.
4. The Board assesses the risk on a regular basis and advises the steps and procedures for its minimisation.
5. The Company has not raised any amount through public issues, rights issues, among others. during the year.
6. The Non-Executive Directors have not been paid any remuneration other than sitting fees.
7. A management discussion and analysis report forms part of this annual report.

Means of communication:

The details of publication of quarterly results are as under:

The Economic Times	-	All India Edition
Business Standard	-	All India Edition
Aajkaal/Arthik Lipi (Regional)	-	Kolkata

The quarterly results have also been sent to the Stock Exchanges pursuant to the listing agreement. Further, the financial and other information(s) are also available at the Company's website www.techno.co.in.

General Shareholder Information:

1. The 6th Annual General Meeting is scheduled to be held on or before September 30, 2011 and the notice convening the same shall be sent to the shareholders within the time prescribed by the Companies Act, 1956.

2. Financial year	:	April to March
3. Financial calendar (Reporting of Financial Results)	:	Within 45 days of ending month of the quarter
4. Date of book closure	:	The date of book closure be intimated through stock exchanges, newspapers and with the notice convening the Annual General Meeting
5. Dividend payment date	:	within 30 days of declaration
6. Listing on Stock Exchanges	:	

Stock Exchange	Stock Code/Symbol
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.	533281
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.	TECHNO – EQ

The listing application with the Calcutta Stock Exchange Ltd. is under process.

Note: Annual listing fees for the year 2011-12 have been paid to all the Stock Exchanges as mentioned above.

7. The shares of the Company was listed in Bombay Stock Exchange and National Stock Exchange on November 10, 2010, hence the market data are given accordingly from November, 2010 onwards.

Market Price Data:

Stock Exchange	BSE			NSE		
Month	High	Low	Volume	High	Low	Volume
November, 2010	444.90	326.05	16,27,866	444.90	336.00	15,15,125
December, 2010	390.00	265.10	5,03,738	388.00	261.00	7,28,316
January, 2011	350.00	258.00	3,26,963	349.95	258.00	4,05,888
February, 2011	266.00	204.00	4,69,075	265.45	200.15	5,25,947
March, 2011	271.00	209.40	15,80,447	271.00	201.00	17,65,246

8 (i) **Comparison of stock performance with BSE Sensex :**

Month	Price at BSE			BSE Sensex		
	Opening	Closing	Change(%)	Opening	Closing	Change(%)
November, 2010	344.00	380.05	10.48	20,272	19,521	-3.71
December, 2010	372.00	340.25	-8.53	19,530	20,509	5.01
January, 2011	345.00	261.80	-24.12	20,262	18,328	-9.54
February, 2011	262.00	214.00	-18.32	18,425	17,823	-3.27
March, 2011	214.00	242.10	13.13	17,982	19,445	8.14

8 (ii) **Comparison of stock performance with NSE Nifty:**

Month	Price at NSE			Nifty		
	Opening	Closing	Change(%)	Opening	Closing	Change(%)
November, 2010	360.05	379.80	5.49	6,092.30	5,862.70	-3.77
December, 2010	370.10	341.40	-7.75	5,871.00	6,134.50	4.49
January, 2011	345.00	260.30	-24.55	6,177.45	5,505.90	-10.87
February, 2011	264.50	209.45	-20.81	5,537.30	5,333.25	-3.69
March, 2010	215.00	242.05	12.58	5,382.00	5,833.75	8.39

9. **Registrar and Transfer Agents** : Niche Technologies Pvt. Limited
D-511, Bagree Market, 71 B.R.B.B. Road, Kolkata – 700001
Tel: (033) 22357270/22357271
Fax: (033) 22156823 • Email: nichetechpl@nichetechpl.com

10. **Share Transfer System** :

The share transfers in physical form are processed within 15 days from the date of receipt of the valid documents complete in all respect.

11 (i) **Distribution of shareholding as on March 31, 2011:**

Slab	No. of shareholders		No. of shares	
	Number	Percentage (%)	Number	Percentage (%)
1 - 500	3,773	78.00	4,44,956	0.78
501 - 1000	415	8.58	3,43,490	0.60
1001 - 5000	445	9.20	10,53,707	1.85
5001 - 10000	92	1.90	6,93,851	1.21
10001 - 50000	73	1.51	14,31,608	2.51
50001 - 100000	11	0.23	7,44,455	1.30
100001 & Above	28	0.58	5,23,79,133	91.75
Total	**4,837**	**100.00**	**5,70,91,200**	**100.00**

(ii) **Shareholding pattern as on March 31, 2011:**

Shareholders (Category)	No. of shares held	Percentage of total shares
Promoters	3,13,82,923	54.97
Private Corporate Bodies	2,08,20,622	36.47
Indian Public	32,46,474	5.70
Foreign Institutional Investors (FIIs)	2,77,000	0.48
Mutual Funds	10,81,031	1.90
Non-Resident Indians (NRIs)	20,803	0.03
Central Govt./State Govt.	21,000	0.03
Others (Clearing Members)	2,41,347	0.42
Total	**5,70,91,200**	**100.00**

12. The shares of the Company are compulsorily traded in dematerialised form and tradable with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN of the Company's shares is **INE286K01024.**

Details of dematerialisation of shares as on March 31, 2011 are given below :-

Name of the Depository	No. of shares	% of Total Share Capital
National Securities Depository Limited	4,56,56,275	79.97
Central Depository Services (India) Limited	20,31,792	3.56

13. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments during the financial year.

14. **Plant Locations** : The Company has 22 wind turbine generator in Tamilnadu and 8 wind turbine generator in Karnataka with aggregating generating capacity of 45 MW.

15. **Company Details:**

Address for Correspondence : Techno Electric & Engineering Company Limited
P-46A, Radha Bazar Lane, Kolkata – 700001.
Tel : (033) 22254671, 22254472 • Fax : (033) 22254478
E-Mail : desk.investors@techno.co.in • Website : http://www.techno.co.in

Corporate Identity Number : U40108WB2005PLC139595

Compliance with Non-Mandatory Requirements:

(1) **The Board:** The Company does not have a Non-Executive Chairman. All the Independent Directors on the Board are experienced professionals with knowledge in their related fields i.e. Technical, Finance and Accounts. No tenure has been specified for the Independent Directors. At present, none of the Directors on the Board have tenure in aggregate exceeding nine years.

(2) **Remuneration Committee:** The Company has a Remuneration Committee comprising three Independent Directors to determine the remuneration of both Non-executive and Executive Directors.

(3) **Shareholders rights:** Half-yearly declaration of financial performance including summary of the significant events are presently not being sent to the shareholders, but the Company publishes financial results and statement of assets and liabilities.

(4) **Audit qualifications:** During the year under review, there were no audit qualifications in the Company's financial statements and for moving towards a regime of unqualified financial statements, the Company is adopting the best possible practices.

(5) **Training of Board Members:** Presently, the Company does not have such a training programmes. All Board Members have vast experience and expertise in their respective fields.

(6) **Mechanism for evaluating Non-executive Board Members:** Evaluation of performance of Non-Executive Directors are done at the Board Meetings.

(7) **Whistle Blower Policy Mechanism:** The Company does not have a Whistle Blower Mechanism presently but access to the Audit Committee has not been denied to any executive/personnel.

Declaration Under Clause 49(I)(d) Of The Listing Agreement

Pursuant to Clause 49 of the Listing Agreement, it is hereby declared that all the Board Members and Senior Management personnel of Techno Electric & Engineering Company Limited have affirmed compliance with the Code of Conduct for the year ended March 31, 2011.

P. P. Gupta
Managing Director

Place : Kolkata
Date : July 16, 2011

CERTIFICATE

To the Members of
Techno Electric & Engineering Company Limited

We have examined the compliance of conditions of the code of Corporate Governance by Techno Electric & Engineering Company Limited, for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company complied with the conditions of Corporate Governance as stipulated in the Listing agreement.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrars of the Company and placed before the Investors' Grievance Committee, as on March 31, 2011 there are no investor grievance matters against the Company remaining unattended/pending for more that 30 days.

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

For **S.S. KOTHARI & CO.**
Chartered Accountants

Centre Point
21, Old Court House Street
Kolkata – 700001.

R. N. Bardhan
Partner
Membership No. 17270

Place : Kolkata
Date : July 16, 2011

Certificate of Managing Director and Chief Financial Officer on

Financial Statements under Clause 49 of the Listing Agreement.

We, P. P. Gupta, Managing Director and P. K. Lohia, President (Finance) of Techno Electric & Engineering Company Limited hereby certify that:

(a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2011 and that to the best of our knowledge and belief :

i. these statements do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading;

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee that:

i. there have been no significant changes in internal control over financial reporting during the year;

ii. there have been no significant changes in accounting policies during the year; and

iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: July 16, 2011

P. P. Gupta
Managing Director

P. K. Lohia
President (Finance)

Auditors' Report

To
The Shareholders of
Techno Electric & Engineering Company Limited

We have audited the Balance Sheet of Techno Electric & Engineering Company Limited as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the said Company for the year ended on that date, annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.

c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) According to the information and explanations given to us and on the basis of written representations received from the Directors of the Company, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director under Section 274(1)(g) of the Companies Act,1956.

e) Subject to Note no. 2 of part B of Schedule 12 regarding accounting of certain income and expenditure on cash basis, amount indeterminate, in our opinion and to the best of our information and according to explanations given to us, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act,1956 and the said accounts, read together with the Accounting Policies and Notes appearing in Schedule 12, give the information required by the Companies Act,1956 in the manner so required and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st March, 2011 and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date and the cash flow statement gives a true and fair view of the cash flow for the year ended on that date in conformity with the accounting principles generally accepted in India.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act,1956 and on the basis of such checks as we considered appropriate and the information and explanations given to us, we further report that :

1. a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of fixed assets.

   b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.

c) Substantial part of fixed assets have not been disposed off during the year.

2. a) The Inventories included under work-in-progress have been physically verified by the management during the year at reasonable intervals.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and the discrepancies noticed on the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

3. a) The Company has granted interest free unsecured loan of Rs. 1,411.50 Lakhs to its wholly owned subsidiary company from time to time during the year (balance as on 31st March 2011 Rs. 3.50 Lakhs) and the terms and conditions of such loan are not prima facia prejudicial to the interest of the Company

The Company has not granted any other loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.

b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act ,1956. Hence, clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.

5. In our opinion, and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register required to be maintained under Section 301 of the companies Act, 1956. Accordingly, clause 4(v)(b) of the Order is not applicable to the Company.

6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act,1956 and the rules framed there under are not applicable.

7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act,1956 in respect of Energy (Power) division of the Company and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. However, we have not made any detailed examination of cost records, to ascertain the accuracy and completeness thereof.

9. a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, custom duty, investor education and protection fund, wealth tax, service tax and any other material statutory dues applicable to it and there is no outstanding as on 31st March, 2011 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues in respect of Income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.

10. The Company has neither accumulated losses as at 31st March, 2011 nor incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.

11. The Company has not defaulted in repayment of dues to financial institution or bank or debenture holders as may be ascertained from the examination of the books of account and other records of the Company.

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

13. The Company is not a chit fund, nidhi, mutual benefit fund or society. Accordingly, clause 4(xiii) of the Order is not applicable.

14. We have broadly reviewed the books of account and records maintained by the Company and state that prima -facie, proper records have been maintained of the transactions and contracts relating to purchase and sale of shares, securities, debentures and other investments and timely entries have been made therein. All the investments have been held by the Company in its own name.

15. In respect of Corporate Guarantee given by the Company to banks as holders of debentures issued by the subsidiary company, the terms and conditions of the same are not prima-facie prejudicial to the interest of the Company. The Company has not given any other guarantee to banks and financial institutions for loans taken by others.

16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied for the purpose for which the loans were obtained.

17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, no funds raised on a short-term basis have been used for long-term investment.

18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. Adequate securities have been created in respect of debentures issued by the Company.

20. The Company has not raised any money by public issues during the year.

21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Registration No.302034E

Centre Point
21, Old Court House Street
Kolkata - 700 001
The 16th day of July, 2011

R. N. Bardhan
Partner
Membership No.17270

Balance Sheet As at March 31, 2011

(Rupees in Lakhs)

	Schedule No.	March 31, 2011		March 31, 2010	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	1,141.82		1,141.82	
Reserves & Surplus	2	44,632.69		35,870.70	
			45,774.51		37,012.52
Loan Funds	3		23,868.32		16,667.83
Deferred Tax Liabilities/(Assets)			63.87		66.78
(Refer note no.5 in Schedule 12B)					
			69,706.70		**53,747.13**
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		28,924.62		28,620.22	
Less:Depreciation		4,051.32		2,566.51	
Net Block			24,873.30		26,053.71
Investments	5		35,509.82		18,647.09
Current Assets, Loans & Advances	6				
a) Curent Assets		18,146.21		14,149.77	
b) Loans & advances		16,083.49		17,013.85	
		34,229.70		31,163.62	
Less: Current Liabilities & Provisions	7				
a) Current Liabilities		23,368.30		20,722.54	
b) Provisions		1,537.82		1,394.75	
		24,906.12		22,117.29	
Net Current Assets			9,323.58		9,046.33
			69,706.70		**53,747.13**
Significant Accounting Policies & Notes on Accounts	12				

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Registration No. 302034E
R. N. Bardhan
Partner
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 16th day of July, 2011

N. Brahma
Company Secretary

P. P. Gupta
Managing Director

K. M. Poddar
Director

Profit and Loss Account For the year ended March 31, 2011

(Rupees in Lakhs)

	Schedule No.	2010-11	2009-10
INCOME			
Operating Income	8	68,110.81	66,803.90
Other Income	9	2,846.52	5,246.83
		70,957.33	72,050.73
EXPENDITURE			
(Increase)/Decrease in Inventories	10	(135.31)	(632.96)
Operative, Administrative & Other Expenses	11	55,162.01	56,248.47
Interest		1,824.56	1,282.72
Depreciation		1,505.11	1,467.15
		58,356.37	**58,365.38**
PROFIT			
Profit before Taxation		12,600.96	13,685.35
Provision for Income Tax :			
Current Tax		2,510.71	2,300.98
In respect of earlier Years		2.61	0.05
Deferred Tax		(2.91)	2.34
Provision for Wealth Tax :			
Current Tax		0.86	–
In respect of earlier Years		0.33	0.50
Fringe Benefit Tax for earlier years		0.32	0.08
Security Transaction Tax		–	0.04
Profit after Taxation		10,089.04	11,381.36
Acquired on Amalgamation		–	1.24
Balance brought forward		1.52	(346.62)
		10,090.56	**11,035.98**
APPROPRIATIONS			
Transfer to General Reserve		8,763.00	7,883.00
Transfer to Debenture Redemption Reserve		–	1,820.00
Proposed Dividend		1,141.82	1,141.82
Provision for Tax on Proposed Dividend		185.23	189.64
Surplus carried to Balance Sheet		0.51	1.52
		10,090.56	**11,035.98**
Earning Per Share (Basic & Diluted) (Rs.)		17.67	19.94
Significant Accounting Policies & Notes on Accounts	12		

The Schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our Report of even date.

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Registration No. 302034E
R. N. Bardhan
Partner
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 16th day of July, 2011

N. Brahma
Company Secretary

P. P. Gupta
Managing Director

K. M. Poddar
Director

Schedules to the Accounts

(Rupees in Lakhs)

		March 31, 2011		March 31, 2010
1. SHARE CAPITAL				
Authorised:				
42,49,00,000 Equity Shares of Rs. 2 each	8,498.00		8,498.00	
5,50,20,000 Preference Shares of Rs. 10 each	5,502.00		5,502.00	
		14,000.00		14,000.00
Issued, Subscribed and Paid Up:				
5,70,91,200 Equity Shares of				
Rs. 2 each Fully Paid up		1,141.82		1,141.82
		1,141.82		**1,141.82**

2. RESERVES AND SURPLUS				
Capital Reserve:				
As per last Account	1,572.66		–	
Acquired on Amalgamation	–		0.06	
Add : Created on Amalgamation	–	1572.66	1,572.60	1,572.66
Debenture Redemption Reserve:				
As per last Account	1,820.00		–	
Add: Created during the year	–	1,820.00	1,820.00	1,820.00
Share Premium Account:				
As per last Account	9,642.50		2,954.50	
Add : Acquired on Amalgamation	–	9,642.50	6,688.00	9,642.50
General Reserve:				
As per last Account	22,834.02		–	
Acquired on Amalgamation	–		14,951.02	
Add: Transferred from Profit & Loss Account	8,763.00	31,597.02	7,883.00	22,834.02
Profit & Loss Account		0.51		1.52
		44,632.69		**35,870.70**

3. LOAN FUNDS				
Secured Loans:				
(Refer note no.6 in Schedule 12B)				
Debentures		3,181.82		5,000.00
From Banks		8,186.50		8,334.50
From Others		–		3,333.33
		11,368.32		16,667.83
Unsecured Loans:				
From Banks		10,000.00		–
From Others		2,500.00		–
		12,500.00		–
		23,868.32		**16,667.83**

Schedules to the Accounts

4. FIXED ASSETS

(Rupees in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31 2010	Additions During the year	Sales/Adjust-ment during the year	Total upto March 31 2011	upto March 31 2010	For the year	On Sales/ Adjustment during the year	Total upto March 31 2011	As at March 31 2011	As at March 31 2010
Land	563.23	-	-	563.23	-	-	-	-	563.23	563.23
Lease Hold Land	-	107.37	-	107.37	-	3.02	-	3.02	104.35	-
Factory Building	7.20	-	-	7.20	6.30	0.24	-	6.54	0.66	0.90
Non-Factory Building	78.38	-	-	78.38	12.97	1.28	-	14.25	64.13	65.41
Plant & Machinery	424.72	105.56	4.17	526.11	195.66	16.57	0.97	211.26	314.85	229.06
Plant & Machinery (Wind Mills)	26,925.16	-	-	26,925.16	1,984.27	1,421.65	-	3,405.92	23,519.24	24,940.89
Office Equipment	337.79	33.60	2.40	368.99	239.59	33.63	2.10	271.12	97.87	98.20
Furniture & Fixture	68.67	-	-	68.67	46.78	8.33	-	55.11	13.56	21.89
Construction Vehicle	94.36	7.90	3.58	98.68	33.66	7.77	2.32	39.11	59.57	60.70
Vehicle	120.71	82.41	22.29	180.83	47.28	12.62	14.91	44.99	135.84	73.43
Total	28,620.22	336.84	32.44	28,924.62	2,566.51	1,505.11	20.30	4,051.32	24,873.30	26,053.71
Previous year Figures	23,059.02	5,574.23	13.03	28,620.22	1,110.88	1,467.15	11.52	2,566.51	26,053.71	

Notes:

Conveyance Deeds in respect of Non-Factory Buildings amounting to Rs. 68.44 Lakhs (Previous year Rs. 68.44 Lakhs) are in the process of being executed in favour of the Company.

Schedules to the Accounts

	Face Value Per Share/Unit	March 31, 2011 Nos.	(Rs. in Lakhs)	March 31, 2010 Nos.	(Rs. in Lakhs)
5. INVESTMENTS					
Unquoted					
Fully Paid-Equity Shares:					
Tega India Ltd. (Rs. 70 previous year Rs. 70)	10	7	–	7	–
Techno Leasing & Finance Co. Pvt. Ltd. (Rs. 100 previous year Rs. 100)	10	10	–	10	–
Techno International Ltd.	10	170,060	17.01	170,060	17.01
North Dinajpur Power Ltd.	10	20,000	2.00	20,000	2.00
Rajgarh BioPower Ltd.	10	20,000	2.00	20,000	2.00
Simran Wind Projects Pvt. Ltd. (A Subsidiary Company)	10	151,400,400	31,651.55	106,400,400	13,651.55
Techno Ganga Nagar Green Power Generating Co. Ltd.	10	20,994	2.10	20,994	2.10
Techno Birbhum Green Power Generating Co. Ltd.	10	20,994	2.10	20,994	2.10
Jhajjar KT Transco Pvt. Ltd.	10	11,092,857	3,760.00	–	–
Jhajjar Power Transmission Pvt. Ltd.	10	4,899	0.49	–	–
Fully Paid Bonds:*					
9.75% HPFC BONDS 2012 (Previous Year 25,00,000)	17,50,000	1	18.13	1	25.63
Debentures:*					
14% Unitech Ltd. NCD 17/01/2011	10,00,000	–	–	500	4,890.26
			35,455.38		**18,592.65**
Quoted					
Fully Paid-Equity Shares:					
Spentex Industries Ltd.	10	30,954	18.52	30,954	18.52
GIC Housing Finance Ltd.	10	64,500	25.80	64,500	25.80
Ascu Arch Timber Protection Ltd.	10	50,617	10.12	50,617	10.12
			54.44		**54.44**
			35,509.82		**18,647.09**
Aggregate Value of Unquoted Investments			35,455.38		18,592.65
Aggregate Value of Quoted Investments:					
Book Value			54.44		54.44
Market Value			79.83		67.70

*Represents Short term Investment

Schedules to the Accounts

(Rupees in Lakhs)

	March 31, 2011		March 31, 2010	
6. CURRENT ASSETS, LOANS AND ADVANCES				
A. **Current Assets :**				
Inventories (As per Inventories taken, valued and certified by Management)				
Contract Work-in-Progress (Refer Note No.2 of Schedule 12B)		831.87		696.56
Sundry Debtors (Unsecured & Considered Good)				
Debts outstanding for a period exceeding Six months	1,043.12		534.66	
Others	3,552.69	4,595.81	3,279.79	3,814.45
Retention Money Receivable (Unsecured & Considered Good)				
Outstanding for a period exceeding Six months	7,230.15		3,994.53	
Others	3,634.89	10,865.04	4,395.43	8,389.96
Cash and Bank Balances				
Cash in hand (As certified)		33.74		35.35
Balance with Scheduled Banks				
On Current Account	988.87		481.90	
On Fixed Deposits	830.59		731.26	
On Margin Deposit	0.29	1,819.75	0.29	1,213.45
		18,146.21		**14,149.77**
B. **Loans and Advances** (Unsecured & Considered Good)				
Loans (including accrued interest)		2,372.10		7,699.94
Advances recoverable in cash or in kind or for value to be received		13,461.82		9,167.05
Income Tax paid in advance & Tax deducted at source [Net of Provision of Tax : Nil (Previous Year Rs. 6,865.61 Lakhs)]		–		19.42
Fringe Benefit Tax paid in advance [Net of Provision of Tax : Nil (Previous Year Rs. 111.50 Lakhs)]		–		9.95
Deposits		249.57		117.49
		16,083.49		**17,013.85**

Schedules to the Accounts

(Rupees in Lakhs)

	March 31, 2011		March 31, 2010	
7. CURRENT LIABILITIES & PROVISIONS				
A. Current Liabilities :				
Offered to Deities Shree Ganeshji		–		–
(Rs. 204.00 previous year Rs. 193.00)				
Sundry Creditors		8,694.68		6,245.45
Interest Accrued but not due		103.70		61.36
Advance Received from Customers		14,554.66		14,405.96
Unpaid Dividend		15.26		9.77
		23,368.30		**20,722.54**
B. Provisions :				
Income Tax (Net of Advance Tax & Tax				
Deducted at Source Rs. 9,250.09 Lakhs)		126.09		-
Wealth Tax		0.86		-
Fringe Benefit Tax				
(Net of Advance Tax Rs. 40.63 Lakhs)		0.37		-
Leave Encashment		83.45		63.29
Proposed Dividend		1,141.82		1,141.82
Tax on Proposed Dividend		185.23		189.64
		1,537.82		**1,394.75**

	2010-2011		2009-2010	
8. OPERATING INCOME				
Sales :				
EPC (Construction)	64,882.09		63,183.55	
ENERGY (Power)	3,228.72	68,110.81	3,620.35	66,803.90
		68,110.81		**66,803.90**
9. OTHER INCOME				
Dividend		3.66		180.54
(including Rs. Nil, Previous Year Rs. 37.88 Lakhs				
from subsidiary company)				
Interest :				
On Loans and Advances	1,529.65		2,551.58	
On Investments	319.83		1,059.29	
On Fixed Deposit	57.29		65.58	
On Others	0.05	1,906.82	-	3,676.45
Profit on Sale of Investments (Net)		321.67		901.56
Profit on Sale of Fixed Assets		1.85		0.83
Exchange Rate Difference		80.00		479.31
Miscellaneous Receipts		532.52		8.14
		2,846.52		**5,246.83**

Schedules to the Accounts

(Rupees in Lakhs)

	2010-2011		2009-2010	
10. (INCREASE)/DECREASE IN INVENTORIES				
Contract Work-in-Progress as on April 01, 2010	696.56		63.60	
Less: Closing Stock				
Contract Work-in-Progress	831.87	(135.31)	696.56	(632.96)
		(135.31)		**(632.96)**

	2010-2011		2009-2010	
11. OPERATIVE, ADMINISTRATIVE AND OTHER EXPENSES				
Materials, Stores and Services		47,091.48		49,135.33
Salaries, Wages, Gratuity & Bonus		1,929.02		1,830.13
Contributions to Provident & Other Funds		117.65		99.97
Staff Welfare		278.73		252.51
ESI Contribution		3.60		3.22
Freight & Handling Charges		671.73		628.60
Travelling & Conveyance		708.88		552.93
Rent		226.53		166.76
Rates & Taxes		7.92		2.04
Insurance		185.76		176.35
Sales Tax (Net)		520.26		742.75
Service Tax (Net)		328.49		326.61
Marketing Commission		4.41		19.17
Power & Fuel		63.57		65.65
Hire Charges		51.91		46.92
Repairs to Plant & Machinery		9.12		6.53
Remuneration to Managing Director		150.24		–
Directors' Fee		1.65		-
Auditors' Remuneration		4.27		3.66
Bank Charges		341.04		465.88
Loss on Sale of Fixed Assets		4.85		0.11
Miscellaneous		2,460.90		1,723.35
		55,162.01		**56,248.47**

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. Significant Accounting Policies:

1. Accounting Concept:

The Accounts are prepared under the historical cost convention. Accounting Policies not referred to otherwise are consistent with Generally Accepted Accounting Principles and comply with the applicable Accounting Standards.

2. Recognition of Income & Expenditure:

The Company follows Mercantile System of Accounting and recognises Income and Expenditure on accrual basis. However, since it is not possible to ascertain with reasonable accuracy, the quantum to be provided in respect of Warranty and Liquidated Damages, Works Contract Tax, Marketing Commission, Bill Discounting Charges, Insurance Claims, Export benefits, the same are accounted for on cash basis.

3. Sales :

The Company recognises Revenue for Supply Contracts on the basis of Bills raised against Supplies and for Erection & Construction Contracts on reaching reasonable stage of completion of respective Contracts. However, certain Escalation and other Claims, which are not ascertainable/acknowledged by the customers are not taken into account.

Revenue from Sale of Energy (Power) is recognised on the basis of electrical units generated, net of wheeling and transmission loss as applicable, as stated in the Power Purchase agreement entered into between the Company and the State Utilities of Tamil Nadu and Karnataka.

4. Borrowing Costs:

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

5. Earning Per Share:

Basic earning per share is calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

6. Fixed Assets:

(a) Fixed Assets are stated at their original cost, less accumulated depreciation. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

(b) Capital Work-in-progress comprises cost of fixed assets that are not yet ready for their intended use as at the Balance Sheet date.

(c) Depreciation is calculated at the rates specified in Schedule XIV to the Companies Act,1956 and is provided for on Straight Line Method on all assets except Office Equipments, Furniture & Fixtures which is provided for on Written Down Value Method.

(d) Lease hold Land is ammortised over the period of lease and the amortisation amount included under Depreciation.

7. Impairment of Assets:

Impairment loss is recognized, where applicable, when the carrying value of the Fixed Assets of a cash generating unit exceeds its market value or value in use, whichever is higher.

8. Investments:

Long Term Investments are carried at cost less provision for diminution other than temporary, in value of such investments determined individually. Short term investments are carried at lower of cost or fair value determined individually.

9. Inventories:

Contract Work-in-Progress is stated at direct cost. However, materials purchased are charged to Profit and Loss Account as and when purchased. Process Stock is valued at cost or net realisable value, whichever is lower.

10. Foreign Currency Transactions:

Foreign Currency Transactions are normally recorded on the basis of exchange rates prevailing on the date of their occurrences. Foreign Currency Assets and Liabilities as on Balance Sheet date are revalued in the accounts on the basis of exchange rate prevailing at the close of the year and exchange difference arising therefrom is dealt in the Profit & Loss Account.

11. Employee Benefits:

Contributions to defined contribution scheme in the form of Provident and other funds are charged to the Profit and Loss account. In respect of certain employees, Provident Fund contributions are made to Trust administered by the trustees. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act,1952 and short fall, if any, shall be made good by the Company. The remaining contributions are made to a Government-administered Provident Fund towards which the Company has no further obligations beyond its monthly contribution.

The Company has defined benefit plan for post-employment benefit in the form of gratuity for all employees, which are controlled by a Trust, administered by the Trustees, Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet Date, carried out by an independent actuary. The actuarial method used for measuring the liability is the projected unit credit method.

In respect of compensated absences benefits to employees, liability is provided for on the basis of actuarial valuation as at the the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the projected unit credit method.

12. Taxation:

Current tax is determined on the basis of the amount payable for the year under Income Tax Act. Deferred tax is calculated at current/ substantively enacted Income Tax rate and is recognised on timing differences between taxable income and accounting income. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The Company's business units, engaged in generation of electricity from Wind Mills at various locations, are eligible for 100 percent tax holiday for a period of 10 consecutive years out of 15 years, from the year in which the generation of power is started. Accordingly, the tax holiday period for the Units are likely to expire on various dates after financial year ending on 31.03.2023. Timing difference between the tax basis and the carrying values of assets and liabilities of the Units, which originate during the year but reverse during the tax holiday period are not recognised in the year in accordance with the requirements of Accounting Standard - 22: Accounting for Taxes of Income.

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

13. Segment Reporting :

The Accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue and expenses are directly attributable to the segment. Revenue and expenses like dividend, interest, profit/loss on sale of assets and investments etc., which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, have not been included therein.

All segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include investments, miscellaneous expenditure not written off, share capital, reserves and surplus, unpaid dividend, deferred tax liability, provision for tax and proposed dividend.

14. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognised.

B. Notes on Accounts:

1. **Contingent Liabilities not provided for in respect of :**

   Corporate Guarantee issued for loans obtained by a subsidiary company Rs. 5,090.91 Lakhs (Previous Year Rs. 8,000.00 Lakhs)

2. Materials and Stores purchased during the year include Stores Rs. 2,055.86 Lakhs (Previous Year Rs.1,317.48 Lakhs). The consumption of such materials included in outlay and contract work-in-progress have been taken by the Auditors as certified.

3. Interest paid includes Rs. 308.59 Lakhs (Previous Year Rs.135.61 Lakhs) on Debentures.

4. Interest paid includes Rs.1,083.22 Lakhs (Previous Year Rs. 836.17 Lakhs) on Term Loans.

5. **The details of Deferred Tax Liabilities are as under**

(Rupees in Lakhs)

	As on April 01, 2010	Charge/ (Reversal) during the year	As on March 31, 2011
Deferred Tax Laibilities			
In respect of Fixed Assets	66.78	(2.91)	63.87
Deferred Tax Assets	–	–	–
Net Deferred Tax Liabilities / (Assets)	**66.78**	**(2.91)**	**63.87**

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

6. **Secured Loans**

(Rupees in Lakhs)

		As on March 31, 2011	As on March 31, 2010
a)			
i)	Term Loan from DBS Bank Ltd.	3,000.00	5,000.00
ii)	Term Loan from Indusind Bank Ltd.	2,000.00	3,333.33
iii)	Term Loan from Rabo India Finance Ltd.	–	3,333.33
iv)	FCNR Loan Citi Bank	3,186.50	–
		8,186.50	**11,666.66**

i) Term Loan from DBS Bank Ltd. is secured by way of first charge on the fixed assets and current assets of the Energy (Power) Division of the Company ranking pari-pasu with other lenders.

ii) Term loan from IndusInd Bank Limited is secured by way of equitable mortgage of land and hypothecation of fixed assets and current assets of Energy (Power) Division, ranking pari-pasu with other lenders.

iii) FCNR Loan from Citi Bank is secured against hypothecation of Components, Raw-Materials, Work-in-Progress, Plant & Machinery, Book Debts ranking pari-pasu with other borrowings and personal guarantee of the Managing Director of the Company.

b) 500 Nos of 7.5 percent Non Convertible Debentures are secured by way of mortgage and creation of charge in favour of the trustees (IDBI Trusteeship Services Ltd) on the immovable properties and movable properties of Simran Wind Project Private Ltd., a wholly owned subsidiary company and a non-disposal undertaking executed in favour of the trustees on a pari-pasu basis with debenture-holders of Simran Wind Project Private Limited

The Debentures are redeemable at par in 11 equal quarterly instalments commencing from May 20, 2010 and the last date of payment is 20th November 2012

c) Vehicle Loan from Banks

(Rupees in Lakhs)

	As on March 31, 2011	As on March 31, 2010
Secured against hypothecation of specified vehicles	–	1.17

d) The Company also enjoys overdraft facilities with Scheduled Banks against hypothecation of Components, Raw-Materials, Work-in-Progress, Plant & Machinery, Book Debts ranking pari-pasu with other borrowings and personal guarantee of the Managing Director of the Company.

7. **a)** Unsecured Loan from a Bank amounting to Rs. 5,000.00 Lakhs is guaranteed by personal Guarantee of the Managing Director of the Company.

   b) Other unsecured Loans of Rs. 7,500.00 Lakhs are obtained by issue of Commercial Papers.

8. Disclosures in accordance with revised AS-15 on "Employees Benefits":

(Rupees in Lakhs)

Particulars	2010-2011	2009-2010
a) Defined Contribution Plans:		
The Company has recognized the following amount in the Profit & Loss Account for the year:		
Employers contribution to Provident & Other Funds	120.09	99.97
b) Defined Benefit Plans:-		
Gratuity:		
The following figures are as per actuarial valuation as at the Balance Sheet date carried out by an independent actuary:		
i) Present Value of defined benefit obligation:		
Present Value of obligations at beginning of the year	160.52	153.67
Service Cost	44.14	18.48
Interest Cost	12.50	10.18
Benefits Settled	(8.62)	(35.88)
Actuarial (gain)/loss	(5.92)	14.07
Present Value of obligations at the end of the year	202.62	160.52
ii) Change in fair value of plan assets:		
Fair value of plan assets at beginning of the year	256.41	267.71
Acquisition adjustments	–	–
Expected return on plan Assets	20.51	21.42
Actuarial gain/(loss)	(0.81)	(3.69)
Contribution	–	6.85
Benefits settled	(8.62)	(35.88)
Fair value of plan assets at the end of the year	267.49	256.41
iii) Reconciliation of present value of the defined obligation plan and the fair value of the plan assets:		
Fair value of plan assets at the end of the year	267.49	256.41
Present value of the defined benefit obligations at the end of the year	202.62	160.52
* Asset/(Liability)	64.87	95.89
* The excess of assets over liabilities in respect of Gratuity have not been recognised as they are lying in an Income Tax approved irrevocable trust fund.		
iv) Net Gratuity and other Cost:		
Service Cost	44.14	18.48
Interest Cost	12.50	10.18
Expected return on plan assets	(20.51)	(21.42)
Actuarial (gain)/loss	(5.11)	17.76
Net Gratuity Cost	31.02	25.00
v) Actuarial Assumptions:		
Discount Rate	8.00%	7.50%
Inflation Rate (Salary escalation rate)	5.00%	5.00%
Return on Assets	8.00%	8.00%
vi) For each major category of plan assets following is the percentage that each major category constitute of the fair value of the plan assets:		
Central Government Securities	24.58%	21.75%
State Government Securities	6.13%	11.96%
PSU Bond	34.85%	29.60%
Investment with Bank in Special Deposit Scheme	10.46%	10.89%
Administered by Birla Sun Life Insurance Company Limited	23.98%	25.80%
	100.00%	100.00%

Since the Fair Value of Planned Assets is more than the present value of defined benefit obligations as at 31st March 2011, in respect of Gratuity , no contribution to the Gratututy Fund has been considered necessary.

Schedules to the Accounts

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

9 a. Fixed Deposit Receipts of Rs. 740.79 Lakhs (previous Year Rs. 644.16 Lakhs) are lodged with the Bankers of the Company as Margin against Bank Guarantees Issued / to be issued in favour of the Company.

b. Fixed deposit receipts amounting to Rs. 29.65 Lakhs (previous Year Rs. 28.29 Lakhs)are lodged with a client / Sales Tax authorities as Security / Registration Deposits.

10. In the opinion of the management, diminutions in the value of certain Investments Rs.14.96 (Previous Year Rs.16.53 Lakhs) are temporary in nature and hence no provision has been made for the same.

11. a) Advances include Share Application Money of Rs. 4,900.00 Lakhs (Previous Year Nil) paid to subsidiary Company.

b) Loans and Advances include Loan of Rs. 3.50 Lakhs (Previous Year Nil) due from a subsidiary Company. Maximum amount due at any time during the year was Rs. 750.00 Lakhs (Previous Year Nil)

c) Advances include Rs. 0.21 Lakhs (previous year Nil) receivable from subsidiary Company. Maximum amount due at any time during the year was Rs. 600.00 Lakhs (Previous Year Nil)

12. To the extent identified from available information, there is no amount due to micro, small and medium size enterprises as on 31st March, 2011

13. Investments:

Investments purchased and sold during the year	Units	Nos.	Face Value (Rs.)
Baroda Pioneer Liquid Fund- Institutional Growth Plan	"	21,522,025	10
Baroda Pioneer Treasury Advantage Fund - Institutional Growth Plan	"	21,844,071	10
DWS Insta Cash Plus Fund - Super Institutional Plan Growth	"	9,996,168	10
DWS Ultra Short Term Fund - Institutional Growth	"	11,025,115	10
DSP Black Rock Short Term Fund - Growth	"	3,149,154	10
DSP Black Rock Liquidity Fund - Institutional Plan - Growth	"	37,710	1,000
HDFC Floating Rate Income - Short Term Plan - Wholesale Option- Growth	"	23,515,998	10
HDFC Cash Management Fund - Saving Plan - Growth	"	19,167,741	10
J.M.Money Manager Fund Super Plus Plan -Growth (172)	"	27,651,012	10
J.M.High Liquidity Fund - Super Institutional Plan - Growth (94)	"	39,245,242	10
Reliance Liquidity Fund - Growth Option	"	21,039,344	10
Reliance Money Manager Fund - Institutional Option - Growth Plan	"	948,963	1,000
Reliance Liquid Fund Treasury Plan -Inst. Option Growth Option Growth Plan	"	111,313,208	10

14. a) Remuneration paid/ payable to the Managing Director include the following paid / payable to him as per his terms of appointment:

(Rupees in Lakhs)

	2010-2011	2009-2010
Salary	20.25	18.45
Contribution to Provident Fund	2.43	2.21
Perquisites	–	0.07
Commission	127.56	122.90
	150.24	**143.63**

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

During the previous year Commission was payable by virtue of his terms of appointment as Managing Director of erstwhile transferor company and calculated on the basis of profit of that year of the transferor company only and the said erstwhile Managing Director was not a Director of the Company as on March 31, 2010. The said expenses were included under the respective head of account.

14. b) Computation of Net profit in accordance with section 349 of the Companies Act, 1956.

(Rupees in Lakhs)

	2010-2011	
Profit before Taxation		12,600.96
Add: Loss on sale of Fixed Assets	4.85	
Managerial Remuneration	150.24	
Directors Fees	1.65	156.74
		12,757.70
Less: Profit on sale of Fixed Assets		1.85
Net profit for the year		12,755.85
Commission eligible @ 1% as per terms of appointment		127.56
Commission payable		127.56

15. Remuneration to Auditors:

(Rupees in Lakhs)

	2010-2011	2009-2010
Audit Fees	1.93	1.54
Tax Audit Fees	0.28	0.28
Certification Work	2.06	1.84
	4.27	**3.66**

16. Additional Information :

A: Materials bought & consumed for Job Work/Production excluding cost of services : *(Rupees in Lakhs)*

		2010-2011		2009-2010	
	Unit	Qty.	Value	Qty.	Value
Steel	M.T.	19143	6,846.83	21242	7,078.79
Cement	M.T.	12781	578.35	15890	749.10
Pipes & Tubes	MTR.	348576	2,174.16	287480	5,043.35
Sub-Station Structures	M.T.	4799	2,782.32	4290	2,133.28
Boiler Structures & Accessories	M.T.	700	682.95	2766	2,743.01
Valves	Nos.	3324	419.36	6490	1,344.30
Insulators & Fittings	Nos.	1376403	3,109.48	633230	1,316.56
Power & Control Cables and AAAC/ACSR Conductor	MTR.	7980822	3,343.96	8479501	3,812.48
Transformer	Nos.	5120	8,519.87	2509	4,804.67
Surge Arrestor	Nos.	9535	96.90	8773	133.92
Control, communication, metering and datalogING system	Nos.	87486	2,726.66	91568	3,103.38
Isolators	Nos.	3786	685.33	5709	1,239.72
Circuit Breaker	Nos.	816	2,005.87	204	781.48
PLCC Equipment	Nos.	2571	722.25	3335	577.67
Cable Tray and Flexible Support	Nos.	67750	62.60	77768	755.05

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

16. Additional Information :

A: Materials bought & consumed for Job Work/Production excluding cost of services : *(Rupees in Lakhs)*

		2010-2011		2009-2010	
	Unit	Qty.	Value	Qty.	Value
Distribution Board	Nos.	9177	817.95	942	383.23
Motor & Pumps	Nos.	49	31.62	230	308.19
PSC Poles	Nos.	65302	1,207.12	72426	1,321.62
DG Set	Nos.	4	196.64	2	27.03
Battery and Charger	Nos.	395	57.37	1636	335.06
Steam Turbine	Nos.	0	–	1	1,525.26
HI-Mast/Flood Light	Nos.	52	3.31	2383	965.11
RSJ Pole	MT.	1169	417.62	268	85.62
Others	-		3,429.76		3,897.28
			40,918.28		**44,465.16**

Notes : Above information does not include materials supplied by the Clients on non-chargeable basis.

B: Capacity and Production:

	2010-2011	2009-2010
Item: Wind Mills		
Licenced Capacity	N.A.	N.A.
Installed Capacity	45 MW	45 MW
Actual Generation (Net of Internal Consumption/ Transmission Loss)	95279003 KWH	106930185 KWH

C: Detail of Sales: *(Rupees in Lakhs)*

		2010-2011		2009-2010	
	Unit	Qty.	Value	Qty.	Value
EPC(Construction)					
Sub-Station/Switchyard (EHT)	Nos.	15	19,608.19	14	17,969.78
Comprehensive Electrical System	Nos.	6	1,778.63	6	2,283.00
Mechanical Auxillary (System)	Nos.	10	6,192.95	12	12,084.24
Power Plant (EPC)	Nos.	1	2,610.82	1	11,535.88
Power Distribution Net Work (HT)	Nos.	8	30,899.04	7	14,628.22
Others			3,792.46		4,682.43
Energy (Power)			–		–
Power	KWH	95279003	3,228.72	106930185	3,620.35
			68,110.81		**66,803.90**

D: Consumption of Imported and Indigenous Raw-Materials & Stores and the percentage thereof: *(Rupees in Lakhs)*

	2010-2011		2009-2010	
	%	Value	%	Value
Indigenous	99	40,733.08	99	42,750.16
Imported	1	185.20	1	1,714.99
		40,918.28		44465.15

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

E: CIF Value of Imports :

(Rupees in Lakhs)

	2010-2011		2009-2010	
		Value		Value
Materials		147.82		1,676.83
		147.82		**1676.83**

F: Earnings in Foreign Exchange:

Export of Goods -		42.04		–
Deemed Export Under Global Tender at Ex-works value.		5,377.74		9,797.68
		5,419.78		**9,797.68**

G: Expenditure in Foreign Currency:

i) Travelling		25.51		10.92
ii) Others		150.47		185.29
		175.98		**196.21**

17. Earning Per Share:

		2010-2011	2009-2010
Profit/(Loss) after taxation as per Profit and Loss Account	Rs. in Lakhs	10,089.04	11,381.36
Weighted average number of Equity Shares outstanding (Basic & Diluted)	Nos.	57091200	57091200
Basic and Diluted earning per Share in Rupees (Face Value Rs.2 per Share)	Rs.	17.67	19.94

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

18. Segment Reporting :

a) Based on the guiding principles given in Accounting Standards on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, the Company's primary business segments are EPC (Construction) and Energy (Power). Financial information about the primary business segments are presented in table given below:

(Rupees in Lakhs)

	For the year ended March 31, 2011				For the year ended March 31, 2010			
	EPC (Construction)	Energy (Power)	Corporate	Total	EPC (Construction)	Energy (Power)	Corporate	Total
A. REVENUE								
1 Sales	64,882.09	3,228.72	–	68,110.81	63,183.54	3,620.36	–	66,803.90
2 Others	–	–	2,846.52	2,846.52	–	–	5,246.83	5,246.83
3 Total Revenue	64,882.09	3,228.72	2,846.52	70,957.33	63,183.54	3,620.36	5,246.83	72,050.73
B. RESULT								
1. Segment Result/Operating Profit before Tax and Interest	9,804.34	1,774.66	2,846.52	14,425.52	7,632.10	2,089.14	5,246.83	14,968.07
2. Interest Expenses	1,528.75	295.81	–	1,824.56	731.31	551.41	–	1,282.72
3. Provision for Taxation	-	-	2,511.92	2,511.92	-	-	2,303.99	2,303.99
4. Net Profit	8,275.59	1,478.85	334.60	10,089.04	6,900.79	1,537.73	2,942.84	11,381.36
C. OTHER INFORMATION								
1. Segment Assets	26,037.29	25,793.41	42,782.12	94,612.82	22,580.95	26,907.10	26,376.38	75,864.43
2. Segment Liabilities	23,382.63	8,235.68	62,994.51	94,612.82	20,751.91	6,691.99	48,420.53	75,864.43
3. Capital Expenditure	336.84	–	–	336.84	148.32	5,425.92	–	5,574.24
4. Depreciation	83.46	1,421.65	–	1,505.11	70.24	1,396.91	–	1,467.15

As the operations of the Company are located within India, no separate disclosure for Geographical segment is applicable.

19. Related Party disclosures under Accounting Standard 18 :

a) Name of the related party and nature of relationship:

2010-2011		2009-2010	
Name	Relationship	Name	Relationsship
Mr Padam Prakash Gupta	Key Management Personnel	Mr. Rajiv Agarwal	Key Management Personnel
Simran Wind Project Private Limited	Wholly owned Subsidiary	Simran Wind Project Private Limited	Wholly owned Subsidiary
Mr Ankit Gupta	Relative of Key Management Personnel		

Schedules to the Accounts

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

b) Transactions during the year :

(Rupees in Lakhs)

	2010-2011	2009-2010
Wholly owned subsidiary		
Loan given	1,411.50	1,447.03
Loan recovered	1,408.00	1,447.03
Share Application Money paid	22,900.00	2,880.00
Shares Alloted	18,000.00	2,880.00
Remibursement claimed against expenses	600.95	-
Remibursement received against expenses	600.74	-
Receipt against Redemption of Preference Shares	-	2,500.00
Receipt of dividend on Preference Shares	-	37.88
Key Management Person		
Remuneration to Managing Director	150.24	-
Relative of Key Management Person		
Remuneration to Mr. Ankit Gupta	4.78	-

c) Outstanding Balances

(Rupees in Lakhs)

Name	As on March 31, 2011	As on March 31, 2011
Wholly Owned Subsidiary		
Investment in Shares	15,140.04	10,640.04
Share Application Money Paid	4,900.00	-
Loan Given	3.50	-
Advances	0.21	-
Key Management Person		
Remuneration Payable to Managing Director	127.56	-

20. Previous Year's figures have been re-grouped and re- arranged wherever considered necessary to confirm to current years classifications.

Balance Sheet Abstract And Company's General Business Profile

I. Corporate Identity No U40108WB2005PLC139595 — State Code: 21

Balance Sheet Date: 31 03 2011

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	9461282	Total Assets	9461282
Sources of Funds :			
Paid up Capital	114182	Reserves & Surplus	4463269
Secured Loans	1136832	Unsecured Loans	1250000
Deferred Tax Liability	6387		
Application of Funds			
Net Fixed Assets	2487330	Investments	3550982
Net Current Assets (+ –)	+ 932358	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover	7095733	Total Expenditure	5835637
Profit before Tax (+ –)	+ 1260096	Profit after Tax (+ –)	+ 1008904
Earning per share (Rs.)	17.67	Dividend Rate (%)	100

V. Generic Names of Three Principal Products,Services of the Company (as per monetary terms)

Item Code (ITC Code)	NOT APPLICABLE
Product Description	NOT APPLICABLE

Centre Point
21, Old Court House Street
Kolkata-700 001
The 16th day of July, 2011

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Registration No. 302034E
R. N. Bardhan
Partner
Membership No. 17270

N. Brahma
Company Secretary

P. P. Gupta
Managing Director

K. M. Poddar
Director

Cash Flow Statement For the year ended March 31, 2011

(Rupees in Lakhs)

	2010-11	2009-10
A. Cash Flow from Operating Activities :		
Net Profit before tax and extraordinary items	**12,600.96**	**13,685.35**
Adjustments for :		
Depreciation	1,505.11	1,467.15
(Profit)/Loss on Sale of fixed assets	3.00	(0.72)
Interest/Dividend Income	(1,910.48)	(3,857.00)
(Profit)/Loss on Sale of Investments (Net)	(321.68)	(901.55)
Interest Paid	1,824.56	1,282.72
Foreign Exchange Gain in respect of Borrowing	(80.00)	(470.79)
Operating Profit before Working Capital Changes	13,621.47	11,205.16
Adjustments for :		
Trade and other receivables	(2,752.05)	(7,620.69)
Inventories	(135.31)	(632.96)
Trade Payables	2,546.97	(8,980.65)
Cash generated from operations	**13,281.08**	**(6,029.14)**
Direct taxes paid (net of refunds)	(2,358.14)	(2,815.47)
Cash Flow before Extraordinary items	**10,922.94**	**(8,844.61)**
Extraordinary Items	80.00	470.79
Net Cash flow from Operating Activities	**11,002.94**	**(8,373.82)**
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(336.84)	(197.45)
Sale of Fixed Assets	9.15	2.23
(Increase)/Decrease in Investments	1,458.93	11,049.92
Further Investment in Subsidiary Company	(18,000.00)	-
Acquisition of Transferor Company(By way of amalgamation)	-	(7,006.46)
Acquisition of subsidiary	-	(13,651.55)
Share application Money paid to Subsidiary Company	(4,900.00)	-
Refund of Loan	5,327.84	1,012.36
Interest Income	1,875.60	3,676.46
Dividend Income	3.66	180.54
Net Cash Used in Investing Activities	**(14,561.66)**	**(4,933.95)**
C. Cash Flow from Financing Activities		
Proceeds from issue of Debentures	-	5,000.00
Redemption of Debentures	(1,818.18)	-
Proceeds from Borrowings	9,018.67	7,466.67
Interest Paid	(1,720.86)	(1,282.72)
Dividend paid	(1,316.21)	(667.94)
Net Cash used in Financing activities	**4,163.42**	**10,516.01**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**604.70**	**(2,791.76)**
Opening Balance of Cash & Cash Equivalents	1,248.79	4,040.56
Closing Balance of Cash & Cash Equivalents	1,853.49	1,248.80
Previous Year's figures have been re-grouped and re-aranged wherever considered necessary.		
This Cash Flow Statement has been prepared under the indirect method prescribed under Accounting Standard 3 notified under the Companies Accounting Standard Rules 2006		

This is the Cash Flow Statement refered to in our Audit Report of even date.

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Registration No. 302034E
R. N. Bardhan
Partner
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 16th day of July, 2011

N. Brahma
Company Secretary

P. P. Gupta
Managing Director
K. M. Poddar
Director

Auditors' Report on Consolidated Financial Statements

We have examined the attached Consolidated Balance Sheet of Techno Electric & Engineering Company Limited and its subsidiary as at March 31, 2011, the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of the management of Techno Electric & Engineering Company Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary, whose financial statements reflect total assets of Rs. 73,343.47 Lakhs as at March 31, 2011 and total revenues of Rs. 3,552.06 Lakhs and total cash flows of Rs. 422.82 Lakhs for the year then ended. These financial statements have been audited by other auditors whose report has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of such other Auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21: Consolidated Financial Statements, as notified under the Companies (Accounting Standards), Rules 2006 and on the basis of separate audited financial statements of Techno Electric & Engineering Company Limited and its subsidiary included in the consolidated financial statements.

Based on our audit and on the basis of information and explanations given to us and also based on the consolidation of the separate audit reports on the individual audited financial statements of Techno Electric & Engineering Company Limited and its subsidiary, the consolidated statements of account, read together with the Significant Accounting Policies and Notes appearing on Schedule 12, give a true and fair view in conformity with the accounting principles generally accepted in India;

a) In the case of the Consolidated Balance sheet, of the consolidated state of affairs of Techno Electric & Engineering Company Limited and its subsidiary as at March 31, 2011;

b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operation of Techno Electric & Engineering Company Limited and its subsidiary for the year then ended; and

c) In the case of the Consolidated cash flows of Techno Electric & Engineering Company Limited and its subsidiary for the year then ended.

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Registration No.302034E

Centre Point
21, Old Court House Street
Kolkata - 700 001
The 16th day of July, 2011

R. N. Bardhan
Partner
Membership No.17270

Consolidated Balance Sheet As at March 31, 2011

(Rupees in Lakhs)

	Schedule No.	March 31, 2011		March 31, 2010	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	1,141.82		1,141.82	
Reserves & Surplus	2	55,073.46		45,122.26	
			56,215.28		46,264.08
Loan Funds	3		28,959.23		24,667.83
Deferred Tax Liabilities/(Assets)			63.87		66.78
(Refer note no.5 in Schedule 12C)					
			85,238.38		**70,998.69**
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	4	69,667.58		60,567.51	
Less:Depreciation		8,320.18		5,264.12	
Net Block		61,347.40		55,303.39	
Capital Work in Progress		35,798.56	97,145.96	–	55,303.39
Investments	5		3,858.28		4,995.52
Current Assets, Loans & Advances	6				
a) Curent Assets		20,155.47		15,684.16	
b) Loans & advances		11,812.84		17,203.17	
		31,968.31		32,887.33	
Less: Current Liabilities & Provisions	7				
a) Current Liabilities		46,190.87		20,792.80	
b) Provisions		1,543.30		1,394.75	
		47,734.17		22,187.55	
Net Current Assets			(15,765.86)		10,699.78
			85,238.38		**70,998.69**
Significant Accounting Policies &					
Notes on Accounts	12				

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

	For **S. S. Kothari & Co.**		
	Chartered Accountants		
Centre Point	Firm's Registration No. 302034E		**P. P. Gupta**
21, Old Court House Street	**R. N. Bardhan**		*Managing Director*
Kolkata-700 001	*Partner*	**N. Brahma**	**K. M. Poddar**
The 16th day of July, 2011	Membership No. 17270	*Company Secretary*	*Director*

Consolidated Profit and Loss Account For the year ended March 31, 2011

(Rupees in Lakhs)

	Schedule No.	2010-11	2009-10
INCOME			
Operating Income	8	71,661.03	70,212.56
Other Income	9	2,848.35	5,033.00
		74,509.38	**75,245.56**
EXPENDITURE			
(Increase)/Decrease in Inventories	10	(135.31)	(632.96)
Operative, Administrative & Other Expenses	11	55,449.17	56,611.89
Interest		2,318.31	2,097.19
Depreciation		3,076.36	3,028.95
		60,708.53	**61,105.07**
PROFIT			
Profit before Taxation		13,800.85	14,140.49
Provision for Income Tax :			
Current Tax		2,749.85	2,419.06
MAT Credit Entitlement		(228.64)	(116.16)
In respect of earlier Years		2.79	0.06
Deferred Tax		(2.91)	2.34
Provision for Wealth Tax :			
Current Tax		0.86	–
In respect of earlier Years		0.33	0.50
Fringe Benefit Tax for earlier years		0.32	0.08
Security Transaction Tax		–	0.04
Profit after Taxation		11,278.25	11,834.57
Acquired on Amalgamation		–	1.24
Balance brought forward		137.39	(657.52)
		11,415.64	**11,178.29**
APPROPRIATIONS			
Transfer to General Reserve		8,763.00	7,883.00
Transfer to Debenture Redemption Reserve		–	1,820.00
Proposed Dividend		1,141.82	1,141.82
Provision for Tax on Proposed Dividend		185.23	189.64
Dividend Tax on Preference Shares		–	6.44
Surplus carried to Balance Sheet		1,325.59	137.39
		11,415.64	**11,178.29**
Earning Per Share (Basic & Diluted) (Rs.)		19.75	20.73
Significant Accounting Policies & Notes on Accounts	12		

The Schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our Report of even date.

	For **S. S. Kothari & Co.**		
	Chartered Accountants		
Centre Point	Firm's Registration No. 302034E		**P. P. Gupta**
21, Old Court House Street	**R. N. Bardhan**		*Managing Director*
Kolkata-700 001	*Partner*	**N. Brahma**	**K. M. Poddar**
The 16th day of July, 2011	Membership No. 17270	*Company Secretary*	*Director*

Consolidated Schedules to the Accounts

(Rupees in Lakhs)

	March 31, 2011		March 31, 2010	
1. SHARE CAPITAL				
Authorised				
42,49,00,000 Equity Shares of Rs. 2 each	8,498.00		8,498.00	
5,50,20,000 Preference Shares of Rs. 10 each	5,502.00		5,502.00	
		14,000.00		14,000.00
Issued, Subscribed and Paid Up				
5,70,91,200 Equity Shares of Rs. 2 each Fully Paid up		1,141.82		1,141.82
		1,141.82		**1,141.82**

	March 31, 2011		March 31, 2010	
2. RESERVES AND SURPLUS				
Capital Reserve :				
As per last Account	1,572.66		–	
Acquired on Amalgamation	–		0.06	
Add : Created on Amalgamation	–	1572.66	1,572.60	1,572.66
Debenture Redemption Reserve :				
As per last Account	1,820.00		–	
Add: Created during the year	–	1,820.00	1,820.00	1,820.00
Share Premium Account :				
As per last Account	18,758.19		12,070.19	
Add : Acquired on Amalgamation	–	18,758.19	6,688.00	18,758.19
General Reserve :				
As per last Account	22,834.02		–	
Acquired on Amalgamation	–		14,951.02	
Add: Transferred from Profit & Loss Account	8,763.00	31,597.02	7,883.00	22,834.02
Profit & Loss Account :		1,325.59		137.39
		55,073.46		**45,122.26**

	March 31, 2011		March 31, 2010	
3. LOAN FUNDS				
Secured Loans :				
(Refer note no.6 in Schedule 12C)				
Debentures		8,272.73		13,000.00
From Banks		8,186.50		8,334.50
From Others		–		3,333.33
		16,459.23		24,667.83
Unsecured Loans :				
From Banks		10,000.00		–
From Others		2,500.00		–
		12,500.00		–
		28,959.23		**24,667.83**

Consolidated Schedules to the Accounts

4. FIXED ASSETS

(Rupees in Lakhs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at March 31 2010	Additions During the year	Sales/Adjust-ment during the year	Total upto March 31 2011	upto March 31 2010	For the year	On Sales/ Adjustment during the year	Total upto March 31 2011	As at March 31 2011	As at March 31 2010
Goodwill	1,571.51	–	–	1,571.51	–	–	–	–	1,571.51	1,571.51
Land	1,208.33	–	–	1,208.33	–	–	–	–	1,208.33	1,208.33
Lease Hold Land	–	107.37	–	107.37	–	3.02	–	3.02	104.35	–
Factory Building	7.20	–	–	7.20	6.30	0.24	–	6.54	0.66	0.90
Non-Factory Building	78.38	–	–	78.38	12.97	1.28	–	14.25	64.13	65.41
Plant & Machinery	424.72	105.56	4.17	526.11	195.66	16.57	0.97	211.26	314.85	229.06
Plant & Machinery (Wind Mills)	56,653.40	8,795.67	–	65,449.07	4,681.11	2,992.57	–	7,673.68	57,775.39	51,972.29
Office Equipment	339.42	33.60	2.40	370.62	240.17	33.89	2.10	271.96	98.66	99.25
Furniture & Fixture	68.67	–	–	68.67	46.78	8.33	–	55.11	13.56	21.89
Construction Vehicle	94.36	7.90	3.58	98.68	33.66	7.77	2.32	39.11	59.57	60.70
Vehicle	121.52	82.41	22.29	181.64	47.47	12.69	14.91	45.25	136.39	74.05
Total	60,567.51	9,132.51	32.44	69,667.58	5,264.12	3,076.36	20.30	8,320.18	61,347.40	55,303.39
Previous Year	49,698.80	10,881.73	13.02	60,567.51	2,246.68	3,028.95	11.51	5,264.12	55,303.39	–

Notes:

1. Conveyance Deeds in respect of Non-Factory Buildings amounting to Rs. 68.44 Lakhs (Previous year Rs. 68.44 Lakhs) are in the process of being executed in favour of the Company .
2. Capital Work in Progress includes Capital Advances Rs. 10,990.00 Lakhs.

	Face Value Per Share/Unit	March 31, 2011 Nos.	(Rs. in Lakhs)	March 31, 2010 Nos.	(Rs. in Lakhs)
5. INVESTMENTS					
Unquoted					
Fully Paid-Equity Shares:					
Tega India Ltd.	10	7	–	7	–
(Rs. 70 previous year Rs. 70)					
Techno Leasing & Finance Co.Pvt. Ltd.	10	10	–	10	–
(Rs. 100 previous year Rs. 100)					
Techno International Ltd.	10	170,060	17.01	170,060	17.01
North Dinajpur Power Ltd.	10	20,000	2.00	20,000	2.00
Rajgarh BioPower Ltd.	10	20,000	2.00	20,000	2.00
Techno Ganga Nagar Green Power Generating Co. Ltd.	10	20,994	2.10	20,994	2.10
Techno Birbhum Green Power Generating Co. Ltd.	10	20,994	2.10	20,994	2.10
Jhajjar KT Transco Pvt. Ltd.	10	11,092,857	3,760.00	–	–
Jhajjar Power Transmission Pvt. Ltd.	10	4,899	0.49	–	–
Fully Paid Bonds:*					
9.75% HPFC BONDS 2012	17,50,000	1	18.14	1	25.63
(Previous Year 25,00,000)					
Debentures:*					
14% Unitech Ltd. NCD 17/01/2011	10,00,000	–	–	500	4,890.24
			3,803.84		**4,941.08**
Quoted					
Fully Paid-Equity Shares:					
Spentex Industries Ltd.	10	30,954	18.52	30,954	18.52
GIC Housing Finance Ltd.	10	64,500	25.80	64,500	25.80
Ascu Arch Timber Protection Ltd.	10	50,617	10.12	50,617	10.12
			54.44		**54.44**
			3,858.28		**4,995.52**
Aggregate Value of Unquoted Investments			3,803.84		4,941.08
Aggregate Value of Quoted Investments:					
Book Value			54.44		54.44
Market Value			79.83		67.70

*Represents Short term Investment

Consolidated Schedules to the Accounts

(Rupees in Lakhs)

	March 31, 2011		March 31, 2010	
6. CURRENT ASSETS, LOANS AND ADVANCES				
A. **Current Assets :**				
Inventories				
(As per Inventories taken,valued and certified by Management)				
Contract Work-in-Progress		831.87		696.56
(Refer Note No.2 of Schedule 12C)				
Sundry Debtors				
(Unsecured & Considered Good)				
Debts outstanding for a period exceeding Six months	1,296.31		640.81	
Others	4,672.10	5,968.41	4,494.19	5,135.00
Retention Money Receivable				
(Unsecured & Considered Good)				
Outstanding for a period exceeding Six months	7,230.15		3,994.53	
Others	3,634.89	10,865.04	4,395.43	8,389.96
Cash and Bank Balances				
Cash in hand (As certified)		33.78		35.39
Balance with Scheduled Banks				
On Current Account	1,625.49		695.70	
On Fixed Deposits	830.59		731.26	
On Margin Deposit	0.29	2,456.37	0.29	1,427.25
		20,155.47		**15,684.16**
B. **Loans and Advances**				
(Unsecured & Considered Good)				
Loans (including accrued interest)		2,368.60		7,699.94
Advances recoverable in cash or in kind or for value to be received		8,843.48		9,234.85
Income Tax paid in advance & Tax deducted at source [Net of Provision of Tax : Nil (Previous Year Rs. 6,990.27 Lakhs)]		–		18.36
Fringe Benefit Tax paid in advance [Net of Provision of Tax : Nil (Previous Year Rs.111.56 Lakhs)]		–		9.97
MAT Credit Entitlement		351.17		122.53
Deposits		249.59		117.52
		11,812.84		**17,203.17**

Consolidated Schedules to the Accounts

(Rupees in Lakhs)

	March 31, 2011		March 31, 2010	
7. CURRENT LIABILITIES & PROVISIONS				
A. Current Liabilities :				
Offered to Deities Shree Ganeshji		–		–
(Rs. 204.00 previous year Rs. 193.00)				
Sundry Creditors		31,476.45		6,253.24
Interest Accrued but not due		144.50		123.83
Advance Received from Customers		14,554.66		14,405.96
Unpaid Dividend		15.26		9.77
		46,190.87		**20,792.80**
B. Provisions :				
Income Tax (Net of Advance Tax & Tax				
Deducted at Source Rs. 9,483.80 Lakhs)		131.57		-
Wealth Tax		0.86		-
Fringe Benefit Tax				
(Net of Advance Tax Rs. 40.63 Lakhs)		0.37		-
Leave Encashment		83.45		63.29
Proposed Dividend		1,141.82		1,141.82
Tax on Proposed Dividend		185.23		189.64
		1,543.30		**1,394.75**

	2010-2011		2009-2010	
8. OPERATING INCOME				
Sales :				
EPC (Construction)	64,882.09		63,183.54	
ENERGY (Power)	6,594.70	71,476.79	7,029.02	70,212.56
GBI Incentive		184.24		–
		71,661.03		**70,212.56**
9. OTHER INCOME				
Dividend		3.66		142.67
(including Rs. Nil, Previous Year Rs. 37.88 Lakhs from subsidiary company)				
Interest :				
On Loans and Advances	1,529.65		2,551.58	
On Investments	319.83		1,059.29	
On Fixed Deposit	57.29		73.70	
On Others	0.05	1,906.82	-	3,684.57
Profit on Sale of Investments (Net)		323.39		712.17
Profit on Sale of Fixed Assets		1.85		0.83
Exchange Rate Difference		80.00		479.31
Miscellaneous Receipts		532.63		13.45
		2,848.35		**5,033.00**

Consolidated Schedules to the Accounts

(Rupees in Lakhs)

	2010-2011		2009-2010	
10. (INCREASE) /DECREASE IN INVENTORIES				
Contract Work-in-Progress as on April 01, 2010	696.56		63.60	
Less: Closing Stock				
Contract Work-in-Progress	831.87	(135.31)	696.56	(632.96)
		(135.31)		**(632.96)**
11. OPERATIVE, ADMINISTRATIVE AND OTHER EXPENSES				
Materials, Stores and Services		47,091.48		49,135.33
Salaries, Wages, Gratuity & Bonus		1,932.62		1,830.79
Contributions to Provident & Other Funds		117.65		99.97
Staff Welfare		278.73		252.51
ESI Contribution		3.60		3.22
Discount Allowed		1.80		-
Freight & Handling Charges		671.73		628.60
Travelling & Conveyance		710.49		553.65
Rent		226.55		166.76
Rates & Taxes		7.95		2.19
Insurance		198.20		192.62
Sales Tax (Net)		520.26		742.75
Service Tax (Net)		328.49		326.61
Marketing Commission		4.41		19.17
Power & Fuel		63.57		65.65
Hire Charges		51.91		46.92
Repairs to Plant & Machinery		9.12		6.83
Remuneration to Managing Director		150.24		-
Directors' Fee		1.65		-
Auditors' Remuneration		4.94		4.21
Bank Charges		342.52		468.37
Loss on Sale of Fixed Assets		4.85		72.38
Miscellaneous		2,726.41		1,993.36
		55,449.17		**56,611.89**

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. Principles of Consolidation

The Consolidated Financial Statements relate to the Company (Techno Electric & Engineering Company Limited) and its subsidiary., Simran Wind Project Private Limited. The consolidated financial Statements have been prepared on the following basis:

i) The Financial Statements of the Company and its Subsidiary Company are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS)21; ' Consolidated Financial Statements'.

ii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions except in cases stated in Accounting Policies and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's seperate Financial Statements except as otherwise stated in Notes to the Accounts.

iii) The difference between the cost of investment in the Subsidiary company, over the net assets at the time of acquisition of shares in the Subsidiary Company is recognised in the Financial Statements as Goodwill.

iv) There being no shareholder other than the Holding Company, identification and recognition of Minority Interest's share of Net Profit/ Loss and also share of Net Assets of Consolidated Subsidiary does not arise.

B. Significant Accounting Policies:

1. Accounting Concept:

The Accounts are prepared under the historical cost convention. Accounting Policies not referred to otherwise are consistent with Generally Accepted Accounting Principles and comply with the applicable Accounting Standards.

2. Recognition of Income & Expenditure:

The Company follows Mercantile System of Accounting and recognises Income and Expenditure on accrual basis. However, since it is not possible to ascertain with reasonable accuracy, the quantum to be provided in respect of Warranty and Liquidated Damages, Works Contract Tax, Marketing Commission, Bill Discounting Charges, Insurance Claims, Export benefits, the same are accounted for on cash basis.

3. Sales :

The Company recognises Revenue for Supply Contracts on the basis of Bills raised against Supplies and for Erection & Construction Contracts on reaching reasonable stage of completion of respective Contracts. However, certain Escalation and other Claims, which are not ascertainable/acknowledged by the customers are not taken into account.

Revenue from Sale of Energy (Power) is recognised on the basis of electrical units generated, net of wheeling and transmission loss as applicable, as stated in the Power Purchase agreement entered into between the Company and the State Utilities of Tamil Nadu and Karnataka.

Generation based Incentive is recognized on accrual basis i.e. on the basis of units of power generated, as referred above for which necessary claims have been lodged / is in the process of being lodged with the concerned authorities.

4. Borrowing Costs:

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

5. Earning Per Share:

Basic earning per share is calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

6. Fixed Assets:

a) Fixed Assets are stated at their original cost, less accumulated depreciation. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

b) Capital Work-in-progress comprises cost of fixed assets that are not yet ready for their intended use as at the Balance Sheet date and includes advances paid to acquire fixed assets.

c) Depreciation is calculated at the rates specified in Schedule XIV to the Companies Act,1956 and is provided for on Straight Line Method on all assets except Office Equipments, Furniture & Fixtures which is provided for on Written Down Value Method. However, in respect of Subsidiary Company, depreciation on Office Equipments (including Computers) is provided on Straight Line Method.

d) Lease hold Land is ammortised over the period of lease and the amortisation amount included under Depreciation.

7. Impairment of Assets:

Impairment loss is recognized, where applicable, when the carrying value of the Fixed Assets of a cash generating unit exceeds its market value or value in use, whichever is higher.

8. Investments:

Long Term Investments are carried at cost less provision for diminution other than temporary, in value of such investments determined individually. Short term investments are carried at lower of cost or fair value determined individually.

9. Inventories:

Contract Work-in-Progress is stated at direct cost. However, materials purchased are charged to Profit and Loss Account as and when purchased. Process Stock is valued at cost or net realisable value, whichever is lower.

10. Foreign Currency Transactions:

Foreign Currency Transactions are normally recorded on the basis of exchange rates prevailing on the date of their occurrences.Foreign Currency Assets and Liabilities as on Balance Sheet date are revalued in the accounts on the basis of exchange rate. prevailing at the close of the year and exchange difference arising therefrom is dealt in the Profit & Loss Account.

11. Employee Benefits:

Contributions to defined contribution scheme in the form of Provident and other funds are charged to the Profit and Loss account. In respect of certain employees, Provident Fund contributions are made to Trust administered by the trustees. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act,1952 and short fall, if any, shall be made good by the Company.The remaining contributions are made to a Government-administered Provident Fund towards which the Company has no further obligations beyond its monthly contribution.

The Holding Company has defined benefit plan for post-employment benefit in the form of gratuity for all employees, which are controlled by a Trust, administered by the Trustees, Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet Date carried out by an independent actuary. The actuarial method used for measuring the liability is the projected unit credit method.

In respect of compensated absences benefits to employees, liability is provided for on the basis of actuarial valuation as at the the Balance Sheet date,carried out by an independent actuary.The actuarial method used for measuring the liability is the projected unit credit method.

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

12. Taxation:

Current tax is determined on the basis of the amount payable for the year under Income Tax Act. Deferred tax is calculated at current/ substantively enacted Income Tax rate and is recognised on timing differences between taxable income and accounting income. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The Company's business units, engaged in generation of electricity from Wind Mills at various locations, are eligible for 100 percent tax holiday for a period of 10 consecutive years out of 15 years, from the year in which the generation of power is started.Accordingly, the tax holiday period for the Units are likely to expire on various dates after financial year ending on 31.03.2023. Timing difference between the tax basis and the carrying values of assets and liabilities of the Units, which originate during the year but reverse during the tax holiday period are not recognised in the year in accordance with the requirements of Accounting Standard - 22: Accounting for Taxes of Income.

13. MAT Credit Entitlement :

In respect of the subsidiary Company, the Minimum Alternate Tax (MAT) paid in accordance with the tax laws give rise to future economic benefits in the form of adjustment of future income tax liability is considered and recognised as an asset in the Balance Sheet when it is probable that such benefits will flow to the Company in future years and the same can be measured reliably.

14. Segment Reporting :

The Accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue and expenses are directly attributable to the segment. Revenue and expenses like dividend, interest, profit/loss on sale of assets and investments etc., which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, have not been included therein.

All segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include investments, miscellaneous expenditure not written off, share capital, reserves and surplus, unpaid dividend, deferred tax liability, provision for tax and proposed dividend.

15. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognised.

C. Notes on Accounts:

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 10,990.00 Lakhs) Rs. 14,475.96 Lakhs (Previous Year Rs. Nil).
2. Materials and Stores purchased during the year include Stores Rs. 2,055.86 Lakhs (Previous Year Rs. 1,317.48 Lakhs). The consumption of such materials included in outlay and contract work-in-progress have been taken by the Auditors as certified.

Consolidated Schedules to the Accounts

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

3. Interest paid includes Rs. 802.34 Lakhs (Previous Year Rs. 135.61 Lakhs) on Debentures.
4. Interest paid includes Rs. 1,083.23 Lakhs (Previous Year Rs. 836.16 Lakhs) on Term Loans.
5. **The details of Deferred Tax Liabilities are as under**

(Rupees in Lakhs)

	As on April 01, 2010	Charge/ (Reversal) during the year	As on March 31, 2011
Deferred Tax Laibilities			
In respect of Fixed Assets	66.78	(2.91)	63.87
Deferred Tax Assets	–	–	–
Net Deferred Tax Liabilities/(Assets)	**66.78**	**(2.91)**	**63.87**

6. **Secured Loans**

(Rupees in Lakhs)

	As on March 31, 2011	As on March 31, 2010
a)		
i) Term Loan from DBS Bank Ltd.	3,000.00	5,000.00
ii) Term Loan from Indusind Bank Ltd.	2,000.00	3,333.33
iii) Term Loan from Rabo India Finance Ltd.	–	3,333.33
iv) FCNR Loan from Citi Bank N.A.	3,186.50	–
	8,186.50	**11,666.66**

i) Term Loan from DBS Bank Ltd. is secured by way of first charge on the fixed assets and current assets of the energy (power) division of the Company ranking pari-pasu with other lenders.

ii) Term loan from IndusInd Bank Limited is secured by way of equitable mortgage of land and hypothecation of fixed assets and current assets of Energy (Power) Division, ranking pari-pasu with other lenders.

iii) FCNR Loan from Citi Bank is secured against hypothecation of Components, Raw-Materials, Work-in-Progress, Plant & Machinery, Book Debts ranking pari-pasu with other borrowings and personal guarantee of a Director of the Company.

b) 1300 Nos of 7.5 percent Non-convertible Debentures are secured by way of mortgage and creation of charge in favour of the trustees (IDBI Trusteeship Services Ltd.) on the immovable properties and movable properties of Simran Wind Project Private Ltd., a wholly owned subsidiary company and a non-disposal undertaking executed in favour of the trustees and corporate guarantee of the holding company.

The Debentures are redeemable at par in 11 equal quarterly instalments commencing from May 20, 2010 and the last date of payment is November 20, 2012.

c) Vehicle Loan from Banks

(Rupees in Lakhs)

	As on March 31, 2011	As on March 31, 2010
Secured against hypothecation of specified vehicles	–	1.17

d) The Company also enjoys overdraft facilities with Scheduled Banks against hypothecation of Components, Raw-Materials, Work-in-Progress, Plant & Machinery, Book Debts ranking pari-pasu with other borrowings and personal guarantee of the Managing Director of the Company.

7. **a)** Unsecured Loan from a Bank amounting to Rs. 5,000.00 Lakhs is guaranteed by personal Guarantee of the Managing Director of the Company.

   b) Other unsecured Loans of Rs. 7,500.00 Lakhs are obtained by issue of Commercial Papers.

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

8. Disclosures in accordance with revised AS-15 on "Employees Benefits":

(Rupees in Lakhs)

Particulars	2010-2011	2009-2010
a) Defined Contribution Plans:		
The Company has recognised the following amount in the Profit & Loss Account for the year:		
Employers contribution to Provident & Other Funds	120.09	99.97
b) Defined Benefit Plans:-		
Gratuity:		
The following figures are as per actuarial valuation as at the Balance Sheet date carried out by an independent actuary:		
i) Present Value of defined benefit obligation:		
Present Value of obligations at beginning of the year	160.52	153.67
Service Cost	44.14	18.48
Interest Cost	12.50	10.18
Benefits Settled	(8.62)	(35.88)
Actuarial (gain)/loss	(5.92)	14.07
Present Value of obligations at the end of the year	202.62	160.52
ii) Change in fair value of plan assets:		
Fair value of plan assets at beginning of the year	256.41	267.71
Acquisition adjustments	-	-
Expected return on plan Assets	20.51	21.42
Actuarial gain/(loss)	(0.81)	(3.69)
Contribution	-	6.85
Benefits settled	(8.62)	(35.88)
Fair value of plan assets at the end of the year	267.49	256.41
iii) Reconciliation of present value of the defined obligation plan and the fair value of the plan assets:		
Fair value of plan assets at the end of the year	267.49	256.41
Present value of the defined benefit obligations at the end of the year	202.62	160.52
* Asset/(Liability)	64.87	95.89
* The excess of assets over liabilities in respect of Gratuity have not been recognised as they are lying in an Income Tax approved irrevocable trust fund.		
iv) Net Gratuity and other Cost:		
Service Cost	44.14	18.48
Interest Cost	12.50	10.18
Expected return on plan assets	(20.51)	(21.42)
Actuarial (gain)/loss	(5.11)	17.76
Net Gratuity Cost	31.02	25.00
v) Actuarial Assumptions:		
Discount Rate	8.00%	7.50%
Inflation Rate (Salary escalation rate)	5.00%	5.00%
Return on Assets	8.00%	8.00%
vi) For each major category of plan assets following is the percentage that each major category constitute of the fair value of the plan assets:		
Central Government Securities	24.58%	21.75%
State Government Securities	6.13%	11.96%
PSU Bond	34.85%	29.60%
Investment with Bank in Special Deposit Scheme	10.46%	10.89%
Administered by Birla Sun Life Insurance Company Limited	23.98%	25.80%
	100.00%	100.00%

Since the Fair Value of Planned Assets is more than the present value of defined benefit obligations as at 31st March 2011, in respect of Gratuity , no contribution to the Gratuity Fund has been considered necessary.

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

As the subsidiary company does not have qualifying number of employees, the requirement of disclosure as per As-15 for the subsidiary does not arise.

9 a. Fixed Deposit Receipts of Rs. 740.80 Lakhs (Previous Year Rs. 644.17 Lakhs) are lodged with the Bankers of the Company as Margin against Bank Guarantees Issued / to be issued in favour of the Company.

b. Fixed deposit receipts amounting to Rs. 29.66 Lakhs (Previous Year Rs. 28.29 Lakhs) are lodged with a client / Sales Tax authorities as Security / Registration Deposits.

10. In the opinion of the management, diminutions in the value of certain Investments Rs. 14.96 Lakhs (Previous Year Rs. 16.53 Lakhs) are temporary in nature and hence no provision has been made for the same.

11. To the extent identified from available information, there is no amount due to micro, small and medium size enterprises as on 31st March, 2011.

12. As a result of the deviation in Accounting policy followed by the Subsidiary Company as compared to that of the Holding Company in relation to depreciation on office equipments including computers, the charge for depreciation in the Consolidated Profit and Loss Accounts stands higher by Rs. 0.05 Lakhs (Previous Year lower by Rs. 0.09 Lakhs), the Reserves as per consolidated Balance sheet stands higher by Rs. 0.45 Lakhs (Previous Year Rs. 0.50 Lakhs) and the Net Block as on March 31, 2011 as per consolidated Balance Sheet stands higher by Rs. 0.45 Lakhs (Previous year Rs. 0.50 Lakhs)

13. Remuneration paid/ payable to the Managing Director include the following paid/payable to him as per his terms of appointment:

(Rupees in Lakhs)

	2010-2011	2009-2010
Salary	20.25	18.45
Contribution to Provident Fund	2.43	2.21
Perquisites	-	0.07
Commission as per terms of appointment	127.56	122.90
	150.24	**143.63**

During the Previous Year Remuneration and Commission was paid/ payable by virtue of his terms of appointment as Managing Director of erstwhile transferor company and calculated on the basis of profit of that year of the transferor company only and the said erstwhile Managing Director was not a Director of the Company as on March 31, 2010. The said expenses were included under the respective head of account.

14. Remuneration to Auditors:

(Rupees in Lakhs)

	2010-2011	2009-2010
Audit Fees	2.43	1.93
Tax Audit Fees	0.44	0.44
Certification Work	2.07	1.84
	4.94	**4.21**

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

15. Earning Per Share:

		2010-2011	2009-2010
Profit/ (Loss) after taxation as per Profit and Loss Account	Rs. In Lakhs	11,278.25	11,834.57
Weighted average number of Equity Shares outstanding (Basic & Diluted)	Nos	5,70,91,200	5,70,91,200
Basic and Diluted earning per Share in Rupees (Face value of Rs. 2 per share)	Rs.	19.75	20.73

16. Segment Reporting :

a) Based on the guiding principles given in Accounting Standards on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, the Company's primary business segments are EPC (Construction) and Energy (Power). Financial information about the primary business segments are presented in table given below:

(Rupees in Lakhs)

	For the year ended March 31, 2011				For the year ended March 31,2010			
	EPC (Construction)	Energy (Power)	Corporate	Total	EPC (Construction)	Energy (Power)	Corporate	Total
A. REVENUE								
1 Sales	64,882.09	6,778.94	–	71,661.03	63,183.54	7,029.02	–	70,212.56
2 Others	–	–	2,848.35	2,848.35	–	–	5,033.00	5,033.00
3 Total Revenue	64,882.09	6,778.94	2,848.35	74,509.38	63,183.54	7,029.02	5,033.00	75,245.56
B. RESULT								
1. Segment Result/Operating								
Profit before Tax and Interest	9,804.34	3,466.47	2,848.35	16,119.16	7,632.10	3,572.58	5,033.00	16,237.68
2. Interest Expenses	1,528.76	789.55	-	2,318.31	731.31	1,365.88	-	2,097.19
3. Provision for Taxation	-	-	2,751.24	2,751.24	-	-	2,422.08	2,422.08
4. MAT Credit Entitlement	-	-	(228.64)	(228.64)	–	-	(116.16)	(116.16)
5. Net Profit	8,275.58	2,676.92	325.75	11,278.25	6,900.79	2,206.70	2,727.08	11,834.57
C. OTHER INFORMATION								
1. Segment Assets	26,037.29	98,785.72	8,149.54	1,32,972.55	22,580.95	56,310.00	14,295.30	93,186.25
2. Segment Liabilities	23,382.63	51,835.66	57,754.26	1,32,972.55	20,751.91	14,754.78	57,679.56	93,186.25
3. Capital Expenditure	336.85	44,594.22	–	44,931.07	148.32	9,161.90	1,571.51	10,881.73
4. Depreciation	83.46	2,992.90	–	3,076.36	70.24	2,958.71	-	3,028.95

As the operations of the Company are located within India, no separate disclosure for Geographical segment is applicable.

12. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

17. Related Party disclosures under Accounting Standard 18 :

a) Name of the related party and nature of relationship:

2010-2011		2009-2010	
Name	Relationship	Name	Relationsship
Mr Padam Prakash Gupta	Key Management Personnel	Mr. Rajiv Agarwal	Key Management Personnel
Mr Ankit Gupta	Relative of Key Management Personnel		

b) Transactions during the year :

(Rupees in Lakhs)

Name	2010-2011	2009-2010
Key Management Person		
Remuneration to Managing Director	150.24	–
Relative of Key Management Person		
Remuneration to Mr. Ankit Gupta	4.77	–

c) Outstanding Balances

(Rupees in Lakhs)

Name	As on March 31, 2011	As on March 31, 2010
Key Management Person		
Remuneration Payable to Managing Director	127.56	–

18. Previous Year's figures have been re-grouped and re- arranged wherever considered necessary to confirm to current years classifications.

Cash Flow Statement For the year ended March 31, 2011

(Rupees in Lakhs)

	2010-11	2009-10
A. Cash Flow from Operating Activities :		
Net Profit before tax and extraordinary items	**13,800.85**	**14,140.49**
Adjustments for :		
Depreciation	3,076.36	3,028.95
(Profit)/Loss on Sale of fixed assets	3.00	71.55
Interest/Dividend Income	(1,910.48)	(3,827.23)
(Profit)/Loss on Sale of Investments (Net)	(323.39)	(712.17)
Interest Paid	2,318.31	2,097.19
Loan Processing Fees	176.48	–
Debenture Issue Expenses	0.50	–
Miscellaneous Balance written back	–	(1.23)
Foreign Exchange Gain in respect of Borrowing	(80.00)	(470.79)
Operating Profit before Working Capital Changes	**17,061.63**	**14,326.76**
Adjustments for :		
Trade and other receivables	(3,017.97)	(8,619.23)
Inventories	(135.31)	(632.96)
Trade Payables	2,549.07	(16,249.69)
Cash generated from operations	**16,457.42**	**(11,175.12)**
Direct taxes paid (net of refunds)	(2,593.03)	(2,926.59)
Cash Flow before Extraordinary items	**13,864.39**	**(14,101.71)**
Extraordinary Items	80.00	470.79
Net Cash flow from Operating Activities	**13,944.39**	**(13,630.92)**
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(22,159.23)	(204.49)
Sale of Fixed Assets	9.15	876.37
(Increase)/Decrease in Investments	1,460.65	8,360.54
Acquisition of Transferor Company(By way of amalgamation)	–	(7,006.46)
Acquisition of subsidiary	–	(10,771.55)
Refund of Loan	5,331.34	1,012.36
Interest Income	1,875.60	3,684.57
Dividend Income	3.66	142.67
Net Cash Used in Investing Activities	**(13,478.83)**	**(3,905.99)**
C. Cash Flow from Financing Activities		
Proceeds from issue of Debentures	–	13,000.00
Redemption of Debentures	(4,727.27)	–
Proceeds from Borrowings	9,018.67	5,166.67
Interest Paid	(2,236.26)	(2,034.73)
Amount received / (repaid) on Share Application Money	–	(616.57)
Loan Processing Fees	(176.48)	–
Debenture Issue Expenses	(0.50)	–
Dividend paid	(1,316.21)	(674.38)

Cash Flow Statement For the year ended March 31, 2011 *(Contd.)*

(Rupees in Lakhs)

	2010-11	2009-10
Net Cash used in Financing activities	**561.95**	**14,840.99**
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	**1,027.51**	**(2,695.92)**
Opening Balance of Cash & Cash Equivalents	1,462.64	4,158.56
Closing Balance of Cash & Cash Equivalents	2,490.15	1,462.64

Previous Year's figures have been re-grouped and re-aranged wherever considered necessary.

This Cash Flow Statement has been prepared under the indirect method prescribed under Accounting Standard 3 notified under the Companies Accounting Standard Rules, 2006.

This is the Cash Flow Statement refered to in our Audit Report of even date.

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Registration No. 302034E
R. N. Bardhan
Partner
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 16th day of July, 2011

P. P. Gupta
Managing Director

N. Brahma
Company Secretary

K. M. Poddar
Director

Additional Disclosure of Subsidiary Company pursuant to Section 212(8) of the Companies Act, 1956

Name of the Subsidiary Company : Simran Wind Project Private Limited

(Rupees in Lakhs)

	2010-11	2009-10
a) Capital	15,140.04	10,640.04
b) Reserves	25,380.76	10,691.56
c) Total Assets	73,343.47	29,402.90
d) Total Liabilities	73,343.47	29,402.90
e) Details of Investment	-	-
f) Turnover	3,552.06	3,422.09
g) Profit before Taxation	1,199.90	682.40
h) Provision for Taxation	10.70	1.93
i) Profit after Taxation	1,189.20	680.47
j) Proposed Dividend	-	-

Notes

Notes