SWITCHED ON

TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

ANNUAL REPORT, 2011-12

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 our 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.

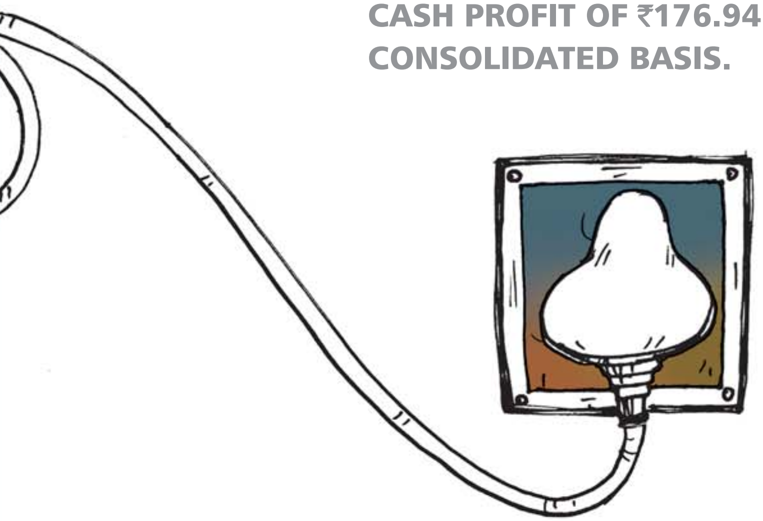
ACROSS THE PAGES

AT TECHNO ELECTRIC, 'SWITCHED ON' IS A READINESS TO CAPITALISE ON OPPORTUNITIES.

'SWITCHED ON' IS AN ABILITY TO TAKE THE CUSTOMER'S BUSINESS AHEAD.

'SWITCHED ON' IS AN ABILITY TO MAKE A CLEAN AND POSITIVE DIFFERENCE TO THE WORLD.

THE RESULT WAS THAT DESPITE A CHALLENGING 2011-12, WE REPORTED REVENUES OF ₹819.86 CRORE AND A CASH PROFIT OF ₹176.94 CRORE ON A CONSOLIDATED BASIS.



IT IS ONE THING TO BE A LARGE EPC PLAYER IN INDIA'S POWER ENGINEERING SOLUTIONS INDUSTRY.

IT IS ANOTHER TO BE CONSIDERED A PROXY FOR THE GROWTH OF THE COUNTRY'S CONVENTIONAL AND RENEWABLE ENERGY SECTOR.

THIS IS TECHNO ELECTRIC. WHICH GREW FROM AN IDEA INTO A VENDOR INTO A PARTNER INTO A BRAND INTO A PROXY.

ALWAYS SWITCHED ON.

CORPORATE

Techno Electric has aggregated heavy engineering skills and light construction capabilities across India's power generation, transmission and distribution segments. It emerged as an independent power producer with 207.35 MW wind power projects as on March 31, 2012.

SIZE

Techno Electric entered the power transmission and distribution segment in 1980 and has since executed more than 250 projects across India (in more than 18 states) in all kinds of terrain. It also provided transmission line services for captive power plants.

SCOPE

Techno Electric undertakes assignments of magnitude and complexity covering the following disciplines: design, detail engineering, manufacture, procurement, supply, erection, testing and commissioning of balance of plant. It has developed capabilities to set-up captive power plants and execute balance of plant jobs for large thermal and hydroelectric power plants. It possesses rich domain knowledge that makes it possible to service the growing needs of diverse sectors (steel, fertilisers, metals and petrochemicals).

CUSTOMER RELEVANCE

Over the decades, Techno Electric strengthened its capability to provide services to large plants across the following segments: storage and handling system, fire water systems, cooling water systems, (fire alarm, detection and protection systems) switchyard for power transmission and evacuation, (plant electrical, cabling and earthing systems) illumination systems including unloading, erection, testing and commissioning of gas turbines with alternator and associated auxiliaries. Following the modernisation of EHV switchyards and sub-stations, Techno emerged among a select few Indian companies with a license to execute electrical installations up to 765 KV.

VALUE PROPOSITION

Due to a growing need for one-stop solutions, Techno Electric graduated into an integrated solutions provider in 2006, providing turnkey solutions for power plants. It executed projects in this segment for single units up to 40 MW capacity (up to March 31, 2012). It is strengthening its capability in executing large projects and is capable of executing projects up to 250 MW for single units on a turnkey basis. The result is that Techno Electric is now a one-stop solution provider.

PRESENCE

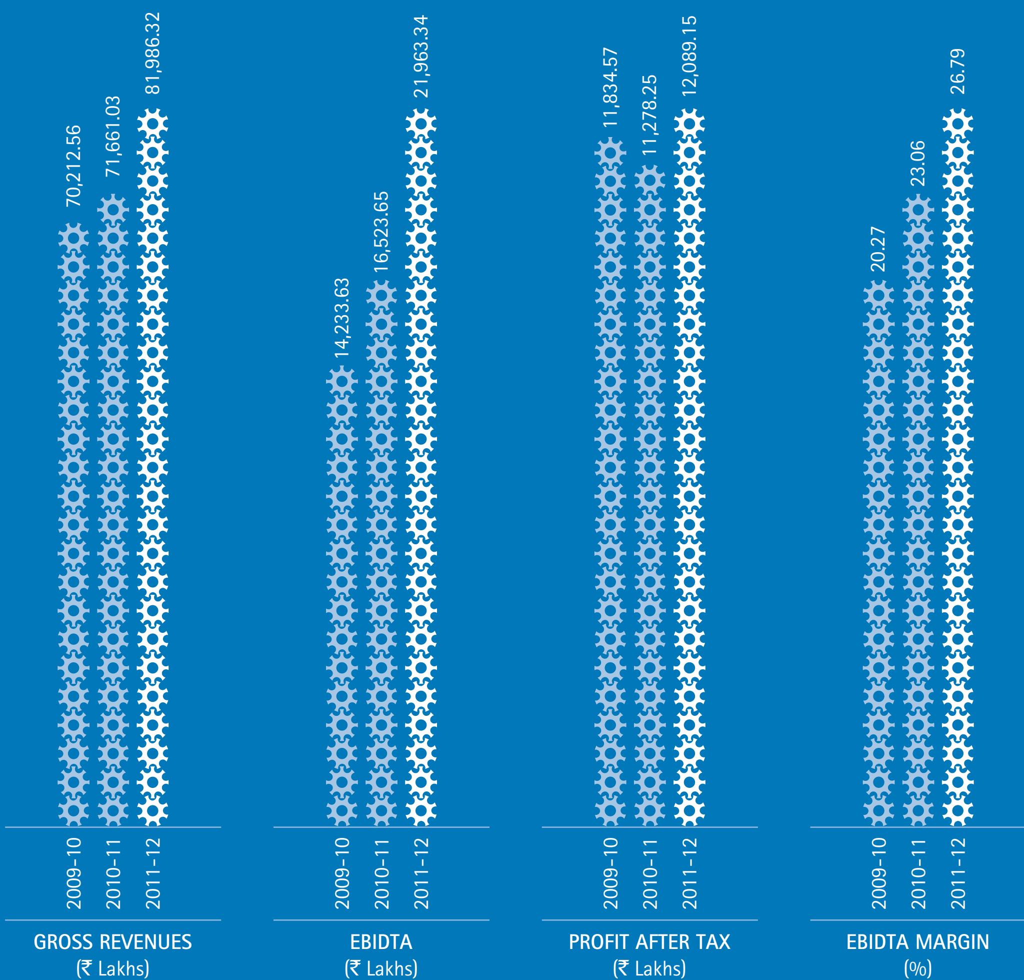
- Headquartered in Kolkata, West Bengal, (India)
- Three regional project offices across India
- Listed on the National and Bombay Stock Exchanges

PROMOTERS' HOLDING	REVENUES
54.97%	₹ **81,986.32** lakhs
March 31, 2012	March 31, 2012

PROFIT AFTER TAX	TEAM STRENGTH
₹ **12,089.15** lakhs	**500**
March 31, 2012	March 31, 2012

GREEN POWER CAPACITY	EHV TRANSMISSION CAPACITY
207.35 MW	**2,400** MVA
March 31, 2012	March 31, 2012

THE LAST THREE YEARS WERE AMONG THE MOST CHALLENGING GLOBALLY. WE CONTINUED TO GROW REGARDLESS. THE BENEFITS OF REMAINING 'SWITCHED ON'.

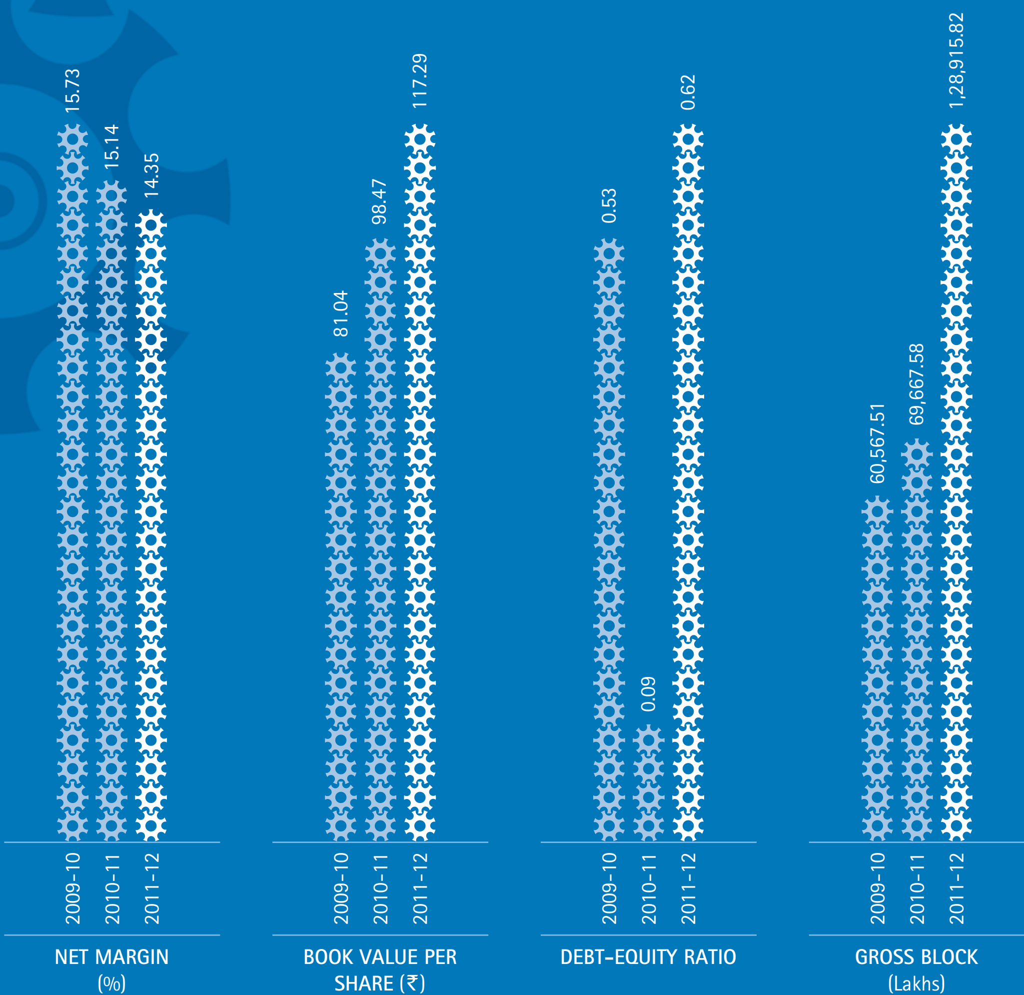


HIGHLIGHTS, 2011-12

- Commissioned a 400 KV power transmission project (intra-state) in Haryana, the first-ever transmission project to enjoy viability gap funding support from the Central Government
- Possessed an order backlog of ₹9,500 million as on March 31, 2012
- Invested ₹6,546 million in wind energy capacity expansion of 111.9 MW in its subsidiary, raising the total capacity to 207.35 MW

DID YOU KNOW?

Techno Electric is involved in building nearly 50% of thermal power generating capacity for evacuation and transmission of power. It is involved in setting up or expanding bays of 60 sub-stations out of the total 130 sub-stations established by the Power Grid Corporation of India.



ACCOLADES TILL DATE

- Rated among the 'Asia's 200 Best Under A Billion' in Asia by *Forbes*
- Accredited among top 1,000 companies of India by *Business Standard*
- Rated among the 'Top 400 Large Cap Corporates' in India by *Dalal Street Investment Journal*
- Awarded the 'Best Vendor' award by BHEL.
- Rated as the 'Top 100 Performing Companies in India' by *Mint*

BEING SWITCHED ON WORKS.
THIS IS THE RESULT.

TRUSTED PARTNER

Techno Electric is a trusted partner with a credible track record in the timely execution of challenging projects and working in difficult terrains (without incurring a penalty).

PORTFOLIO

Techno Electric combines light construction and heavy engineering projects in the power sector. It provides turnkey solutions for entire power plants across all segments and is an independent power producer in the renewable wind energy segment.

FOCUS

Techno Electric provides products and services that cover 30% of the BoP value of a power project. It selects to work with clients who have achieved 100% financial closure.

PRESENCE

Techno Electric – in one capacity or the other – helped establish nearly 50% of India's thermal power generating capacity (more than 50,000 MW) and participated in building more than 50% of the National Electricity Transmission Grid.

TECHNOLOGY

Techno Electric works with state-of the-art technologies leading to dependable project delivery, which helps minimise project costs on the one hand and generates an attractive IRR on the other.

QUALITY

Techno Electric was certified for ISO 9001:2008. Its eight-member quality management team has delivered zero-defect solutions/deliveries.

EXPERIENCE

Techno Electric's promoters possess more than three decades of experience in engineering, procurement and construction (EPC) services, graduating from power to captive power solutions for the steel, fertiliser, metal and petrochemical sectors, among others.

BIDDING

Techno Electric demonstrated calculated bidding when it was awarded the pioneering PPP transmission project in Haryana (funding risk being with the bidder).

PIONEERING

Techno Electric has undertaken a number of pioneering projects in India with record completion schedules. It was the first to develop, install and commission 360 KA busbar systems for aluminium smelters in 2012.

COMPETENCE

Techno Electric has an engineering team (average 25 years of industry experience) with diverse professional competencies.

REACH

Techno Electric has executed more than 250 projects across 18 Indian states in terrains ranging from hilly areas and river beds to deep interiors.

VENDORS

Techno Electric enjoys a strong relationship with 1,200 trusted vendors with compatibility, competence and discipline, resulting in timely project completion.

RESPONSIBILITY

Techno Electric invested in statutory safety requirements comprising design, engineering and construction addressing the needs of Inspectorate of Boilers, Chief Controller of Explosives, Tariff Advisory Committee for Fire Protection, Inspectorate of Electrical Installation, among others.

SOUND FINANCIALS

Techno Electric enjoyed a gearing of 0.62 as on March, 2012. It employed a modest working capital of less than 1% of the total employed capital.

'SWITCHED ON' COMES FROM VERSATILITY.

MOST EPC ENGINEERING SERVICE PROVIDERS IN INDIA'S POWER SECTOR REMAIN JUST THAT THROUGH THEIR LIFE CYCLES. AS A RESULT, VERTICAL MOVEMENT IS THE ONLY POSSIBLE GROWTH FOR THEM.

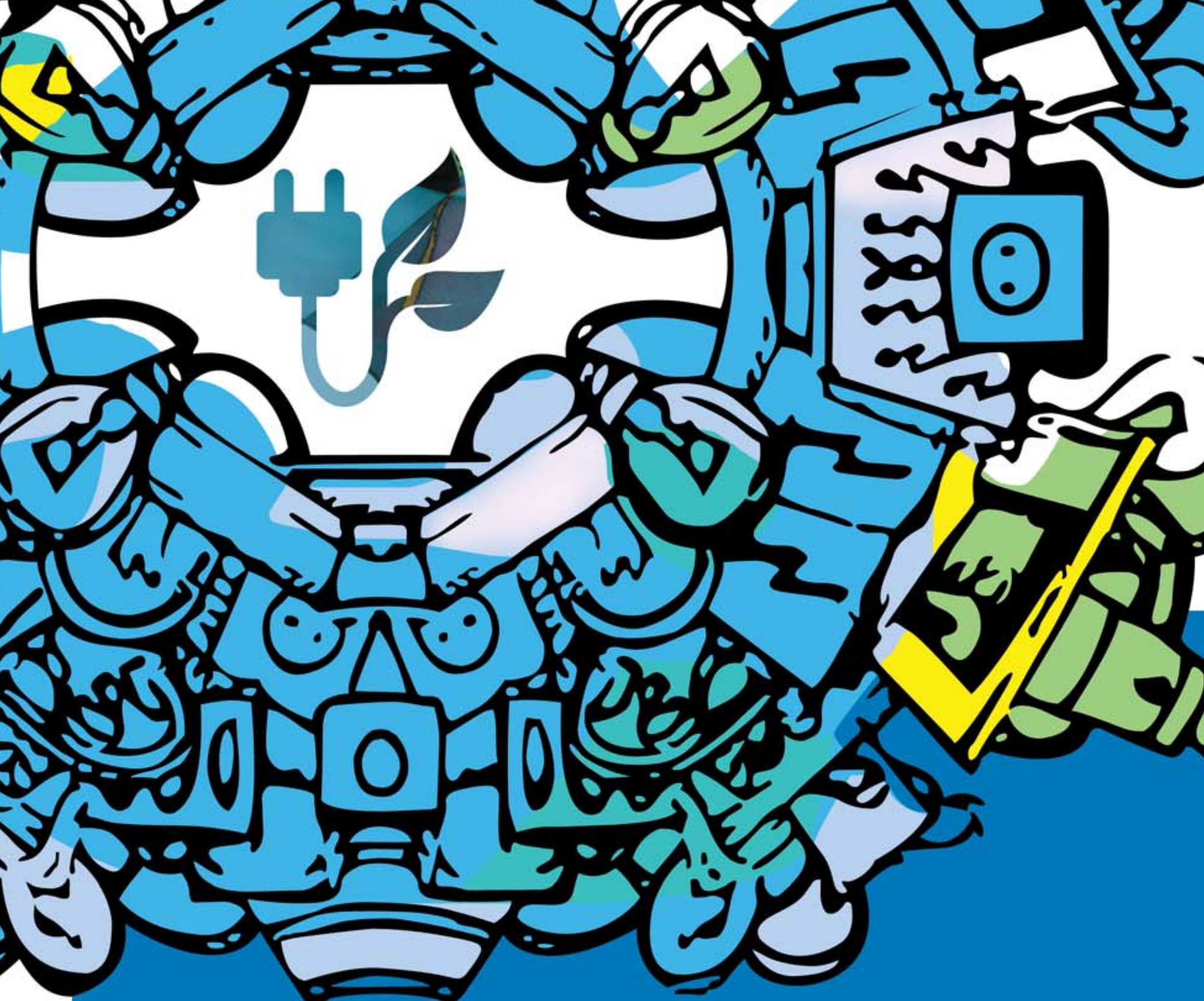
At Techno Electric, we recognised growing opportunities in adjacent business spaces and evolved our business model to capitalise on them.

Techno Electric expanded from EPC engineering services to commissioning a transmission network and implementing green power generation. In doing so, it created a business model balancing conventional energy management (through EPC contracting) on the one hand with non-conventional energy on the other.

This enabled Techno Electric to extend from vendorship to partnership to ownership, placing it uniquely in India's power sector. Going ahead, this widening presence will translate into a robust business model suitably insulated from cyclical influences, leading to consistent growth.

Being switched on makes the difference.

REVENUE MIX	
EPC SEGMENT	RENEWABLE ENERGY
85.87%	**14.13%**



'SWITCHED ON' MEANS NICHE.

ONE OF THE EASIEST THINGS TO DO IS TO TRUST THE USUAL AND THE POPULAR.

At Techno Electric, we did the opposite. We selected to specialise in a niche market through project sophistication.

We leveraged our deep resident design capabilities and project management competence to emerge as a preferred one-stop destination for challenging power engineering projects.

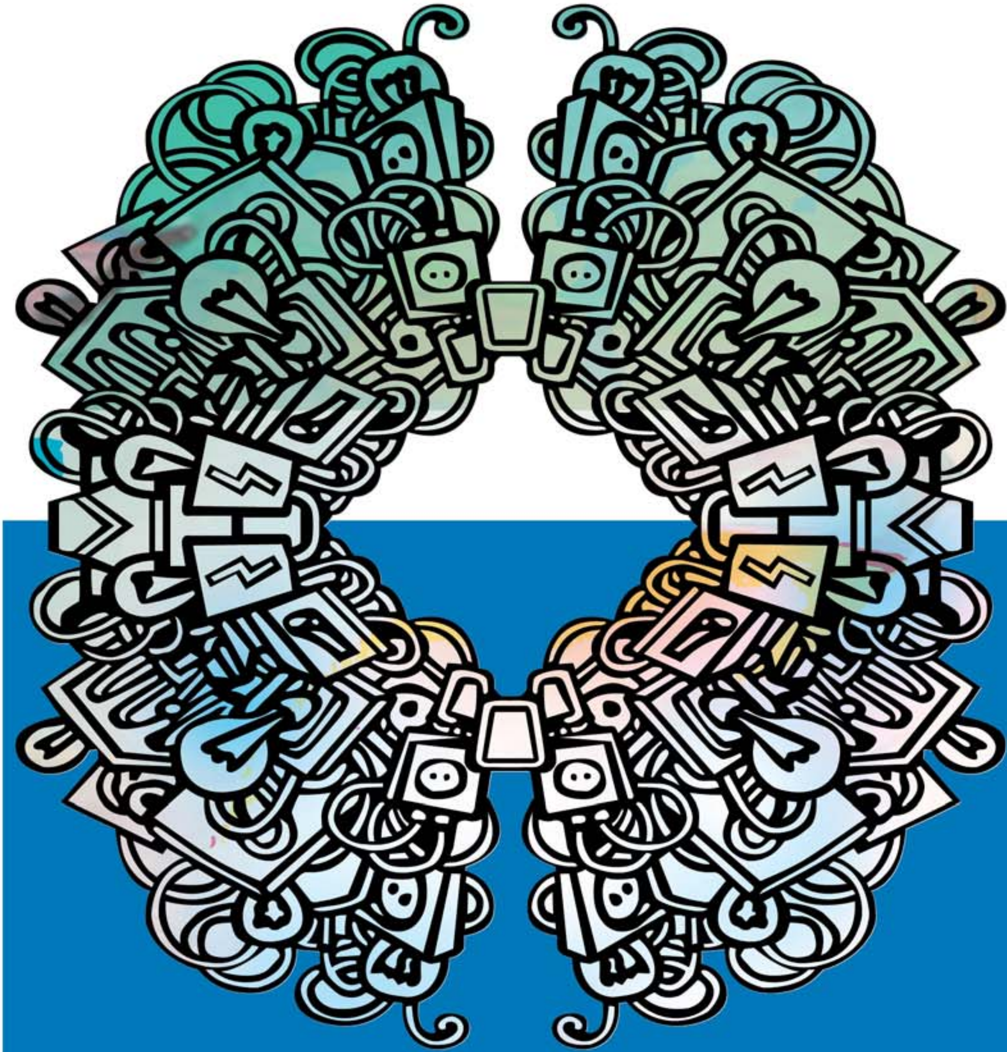
The result was that even as most players in our space were occupied with the usual, we extended from building relatively standard sub-stations like 132 KV to those with complex configurations and specialised applications.

We emerged as the first private Indian player to establish, operate and manage a 400 KV, 100-km transmission link connecting two 24-bay sub-stations that help evacuate 1,320 MW of power from the Jhajjar power plant.

We commissioned the Haryana power transmission project, which was the first time that such a project was being attempted in India. The project has a concession period of 25 years (extendable by 10 years) with a viability gap funding support from the Central Government. Going ahead, the Company plans to have five projects of similar nature by the end of Twelfth Five-Year Plan.

This need to constantly push the envelope made it possible for us to broadly protect our value additions and report attractive profits today and graduate us to even larger projects over the foreseeable future.

Being switched on makes the difference.



'SWITCHED ON' MEANS BEING DIFFERENT.

FOR YEARS, A NUMBER OF COMPANIES IN INDIA INVESTED IN RENEWABLE ENERGY WITH THE OBJECTIVE TO BENEFIT FROM TAX BREAKS, GENERATE NOMINAL POWER AND EMERGE AS ENVIRONMENTALLY RESPONSIBLE.

At Techno Electric, we did something completely different. We selected to transform this investment in renewable energy into a full-fledged business.

We invested ₹6,546 million and increased our green power generation capacity from 95.45 MW in 2009-10 to 207.35 MW in 2011-12. IFC had contributed ₹225 million by way of equity for the expansion. Rather than consolidate following this expansion, the Company continued to enhance its investment, which will translate into an addition of 100 to 150 MW annually.

For a company that until a couple of years ago was known entirely by its presence on the EPC side of the power engineering sector, Techno Electric now expects to add another 1,000 MW by 2020. This will make it possible for Techno Electric to emerge as one of the largest merchant green energy companies in India.

Being switched on makes the difference.

CHAIRMAN'S REVIEW

WE ARE SPECIALISING IN COMPLEX EPC PROJECTS, GROWING OUR GREEN ENERGY SCALE AND LEVERAGING THE VALUE FROM OUR PPP PRESENCE. THIS WILL CATALYSE GROWTH IN AN ATTRACTIVE WAY FOR OUR COMPANY.

Dear friends,

INDUSTRY SLOWDOWN

During an economic slowdown, most decisions are revisited, order books decline, payouts become slower and projects decelerate.

In the last financial year, the industrial environment turned challenging due to increased competition, reduction in rates and attrition. Besides, there was a slowdown in the power sector on account of growing worries related to coal linkages and a corresponding hesitation of financial institutions to fund such projects. This slowdown translated into a lower throughput of orders, compelling a number of power engineering companies in our space to bid lower or make lateral recruitments from within the industry to graduate to higher margin projects. As a result, the industry's performance was stressed.

OUR PERFORMANCE

When you keep this perspective in mind, Techno performed reasonably well in 2011-12. The Company reported a 14.41% increase in revenues and an increase in its profit after tax by 7.19% at ₹120.89 cr, EBIDTA margins by 373 bps to 26.79% in 2011-12 on a consolidated basis. This profitability in a challenging environment was the result of a conscious business de-risking that the Company commenced a few years ago.

Techno Electric ended the year with an order backlog of ₹9,500 million.

For one, Techno Electric began bidding for increasingly complex projects marked by lower competition and higher margins to counter the decline in the strike-rate for usual EPC projects, graduated its business model towards predictable revenues and embarked on the exercise to evolve from a project contractor to asset owner. I am pleased to state that at a time when our core margins were threatened, as in the last financial year, these initiatives were reinforced, strengthening Techno Electric's prospects.

EVOLVING BUSINESS MODEL

During the last few years, Techno Electric recognised the need to enhance the proportion of steady annuity incomes in its revenues mix. It also focused on generating predictable revenues that could in turn form the basis for dependable onward deployment and enhanced sustainability.

During the year under review, the proportion of annuity revenues increased from 9.46% of overall revenues to 14.13% through its increased presence as a green power generator from 95.45 MW to 207.35 MW.

STRATEGIC DIRECTION

Techno Electric's decision to invest in renewable energy generation is not fleeting or temporary; it represents a stable direction of the Company's intent.

There are a number of credible reasons for this long-term intent: wind energy demonstrated an attractive financial return over the last few years, emerging as the fastest-growing green power segment and was secured through remunerative power purchase agreements.

To capitalise on this opportunity, Techno Electric expects to invest ₹10,000 crore by 2020 (₹7,000 crore in power generation and ₹3,000 crore in transmission and distribution). This will result in the annual addition of 100-150 MW, culminating in 1250 MW from renewable sources by the end of 2020. It also intends to add one transmission link annually to its portfolio by leveraging the success of its Haryana project and create a bouquet of around five projects by the end of the Twelfth Five-Year Plan. The latter will provide sustainable annual revenues and the probable encashment (in full or part) of any increase in business value.

In view of these proactive initiatives, we expect that renewable energy and transmission revenues could account for around 50% of our revenues over the foreseeable future, while the proportion of revenues from EPC projects could decline. However, this does not mean that we will vacate our presence in the EPC space; the Company enjoys a credible reputation in executing electrical systems covering transmission, distribution and plant electrical systems in a voltage range of 765 KV. It possesses rich competence in turnkey balance of plant assignments for power generation projects, covering utilities like thermal, mechanical and electrical systems. Techno Electric possesses a rich track record of having executed nearly 50% of the nation's power capacity and national grid in various capacities. As a result, we will leverage our existing competencies and graduate to higher value and higher complexity projects ringfenced from cut throat competition. The availability of annuity and predictable revenues will provide us with increased confidence to enhance our presence in niche EPC areas.

ENHANCING STAKEHOLDER VALUE

I am pleased to state that the depth of our business model was validated by IFC Washington D.C., Standard Chartered and DBS through an investment in our renewable energy project. Going ahead, our business model will assert itself strongly, and coupled with the projected rebound in the economy, will lead to higher revenues, profits and shareholder value.

In conclusion, I must reiterate the strength of our business model -- acquire a critical mass in wind energy generation, deploy annual cash surpluses into sustainable asset building and continue to grow our longstanding EPC business.

I am optimistic that this strategy will translate into enhanced value for Techno Electric's stakeholders.

P. P. Gupta
Chairman and Managing Director

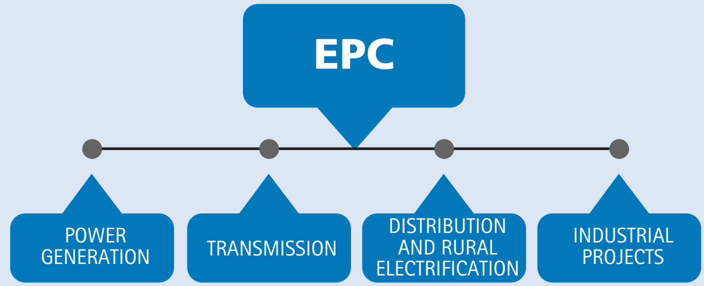
HIGHLIGHTS

- Techno Electric commissioned a 111.9 MW wind generation project in Tamil Nadu under its subsidiary Simran.
- Techno Electric commissioned the power transmission project in Jhajjar, Haryana in March, 2012.
- Techno Electric allotted 3.38% of equity in subsidiary Simran Wind Project Pvt Ltd. to International Finance Corporation (IFC), Washington D.C., which helped partially fund its 111.9 MW wind energy expansion.

BUSINESS DIVISIONS

BUSINESS SEGMENT 1

EPC



POWER GENERATION

Techno Electric emerged as an integrated solutions provider in 2006 with a preference for working in the area of captive power generation plants. It now provides turnkey solutions for entire power plants with the expertise to take up turnkey balance of plant (BoP) assignments in the areas of power generation in thermal, covering mechanical and electrical systems. Techno Electric possesses a rich experience supported by experienced engineers and field staff.

The services provided by Techno Electric comprise basic engineering, design, detailed engineering, civil and structural works, commissioning and stabilisation, among others. It generally executes 100 MW projects and is capable of executing 250 MW single unit projects as well.

TRANSMISSION

Techno Electric ventured into the transmission segment in 1980 and has since executed more than 250 projects. Techno Electric constructs air-insulated and gas-insulated sub-stations on an EPC basis. The Company installs overhead lines for transmission projects related to captive power plants. It covers the entire electrical package of the highest magnitude and complexity.

Techno Electric possesses a competence in building sub-stations from 132 KV to 765 KV in the air-insulated segment and up to 400 KV in the gas-insulated sub-station segment.

In recognition of its competence, the Company was named 'Best Vendor in Eastern India' by Bharat Heavy Electricals Limited.

DISTRIBUTION AND RURAL ELECTRIFICATION

Techno Electric entered into the distribution and rural electrification segments in 2004. The Company executed large rural and urban distribution packages, covering Assam (three districts), Bihar (six districts) 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, 100,000 households and 100,000 consumers.

INDUSTRIAL SECTOR

Techno Electric extended to execute various EPC projects in the industrial sector in 1977. Over the years, the Company executed industrial projects (plant electrical and illumination system, oil handling plant for process industries, naphtha and diesel system for gas turbine-based power plants as well as water and allied systems) across various segments (plant electrical and illumination, cabling projects, water and allied system, installation of fire protection system and oil handling plants, among others).

Techno Electric enjoys the confidence of multinationals, having executed a turnkey naptha-based power plant of 3X30 MW with GE for Damodar Valley Corporation (Maithan). It also assisted ABB and Rolls Royce Limited as an associate for their respective IPP projects.

BUSINESS SEGMENT 2

GREEN POWER

OVERVIEW

With more than 25 years of experience in the conventional end of India's power sector, Techno forayed into renewable energy generation following the acquisition of a windmill firm in 2009. The Company now possesses 207.35 MW capacity following a ₹6,546 million greenfield capacity expansion of 111.9 MW in Tamil Nadu in 2011-12.

Simran Wind Project Pvt Ltd (Simran), a Techno Electric subsidiary, became the first project developer in India with an accreditation of more than 100 MW for its wind generation project under the Renewable Energy Certificate Scheme.

Simran entered into average power purchase agreements with TANGEDCO under the Renewable Energy Certificate Scheme.

RATIONALE

Techno Electric ventured into renewable power generation to leverage its sectoral knowledge with the following results:

- Green energy plants can be established in six months compared with thermal energy plants, which require 36-48 months.
- Green energy plants can be installed in any size, depending on the Company's risk appetite compared with a considerably larger size for a thermal plant.
- Green energy fulfils environmental considerations, reducing CO_2 emissions.

ROAD AHEAD

Techno Electric plans to enhance its power capacity from 207.35 MW in 2011-12 to 1,250 MW by the end of 2020, covering wind, solar, biomass and small hydro projects.

GREEN POWER CAPACITY (MW)

207	357	1,250
2011-12	2012-13E	2019-20E

BUSINESS SEGMENT 3

TRANSMISSION LINKAGE

OVERVIEW

During 2011-12, Jhajjar KT Transco Pvt Ltd (JKTPL), a 51:49 joint venture between Kalpataru Power Transmission Ltd and Techno Electric and Engineering Co Ltd, commissioned a 400 KV intra-state power transmission project in Haryana in March, 2012. The project was commissioned in a record 16 months from financial closure. The project, a PPP initiative of the Haryana Government, became the first transmission project to receive viability gap funding support from the Central Government.

JKTPL was awarded the project in May 2010 by Haryana Vidyut Prasaran Nigam Limited (HVPNL) on a DBFOT basis for a concession period of 25 years, extendable by another 10 years. JKTPL will receive terminal value equivalent to 60 months revenue at the end of the 25th year of the concession period in case it does not get extended to 35 years. HVPNL is the first state utility to promote this kind of a PPP in power transmission.

The ₹444-crore project was financed through debt and equity – debt of ₹276 crore and equity of ₹76 crore. A grant of ₹92 crore was also extended by the Central Government.

The 400 KV transmission system comprises a double circuit quad moose line extending from Jharli to Kabulpur, Rohtak (35 km) and Kabulpur to Dipalpur, Sonepat (64 km) with two sub-stations of 400/220 KV 24 bays each at Rohtak and Sonepat. The transmission network is designed to evacuate 2,400 MW of power and will initially transmit 1,320 MW (2 x 660 MW) of power from Jhajjar power plant in Haryana.

The system is unique in India and comprises an energy-efficient system coupled with optimised losses, selecting products/subsystems from globally reputed manufacturers. Techno Electric designed an architecturally attractive green control room with natural ventilation and thermal insulation.

CASE STUDY

The 100 km 400-KV transmission line for Haryana Vidyut Prasaran Nigam

In this first-ever PPP project in the area of EPC engineering in India, Haryana Vidyut Prasaran Nigam Ltd. awarded the Kalpataru–Techno consortium the concession to develop a 400 KV transmission system to evacuate power from 2x660 MW Jhajjar power plant on a Design, Build, Finance, Operate and Transfer basis.

The bid was completed under viability gap funding where the Haryana government granted ₹920 million, with the remaining ₹3.52 bn funded with a debt-equity ratio of 80:20. With a 49% share, Techno Electric's equity infusion is about ₹376 million.

The project represents a win-win situation: involvement of the private sector ensuring accelerated project completion with cost-efficiency, innovative design and strong construction practices. This assured plant maintenance throughout the concession period, liberated scarce government resources for other priority areas, enabled project risks to be allocated to the agency best suited to handle the same and helped engage creditworthy sponsors and commercial lenders to enhance project viability.

The ₹444-cr project was commissioned in March, 2012.

SCOPE OF WORK

• Constructed two numbers of 400/220/132 KV 24 bay sub-stations at Dipalpur (Sonepat) and Kabulpur (Rohtak), each sub-station is equipped with:

- Two 315 MVA and 2x100 MVA transformers along with four 400 KV feeders, six 220 KV and six of 132 KV feeders

- IEC- 61850-based bay level protection scheme with SAS meeting National/State Grid code

- OPGW-based system for communication and teleprotection for 400 KV

• Operation and maintenance of the above sub-stations for a period of 25 years, extendable by another 10 years

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY REVIEW

India's economic growth fell to 6.5% in 2011-12. The growth was the lowest in nine years including the global financial crisis period of 2008-09 when it was 6.7%. The fiscal deficit is likely to decline to 5.76%, below the 5.9% of GDP budgeted by the government. The industrial growth slowed sharply during 2011-12. The eight core industries grew at a subdued pace of 2.2% in April 2012 compared with 4.2% a year ago. The overall core sector output expanded 4.4% in 2011-12, the lowest in the last three years. The non-performance of infrastructure industries shows that basic inputs are getting scarcer throughout the economy, indicating both supply choke-points and weak demand going forward. Capacity utilisation dropped, resulting in surplus productivity in cement and thermal power.

WORLD OUTPUT (%)

	2010	2011	2012 (P)	2013 (P)
World output	5.2	3.8	3.3	3.9
Advanced economies	3.2	1.6	1.2	1.9
Emerging economies	7.3	6.2	5.4	5.9

[Source: World Economic Outlook, IMF January 24, 2012]

INDIAN POWER SECTOR OVERVIEW

India is the fifth-largest producer and consumer of electricity in the world after the US, China, Japan and Russia. India accounts for 4% of global power generation, and has the world's fifth-largest generation capacity after the US, China, Japan and Russia. The country's total installed power generating capacity was 199.63 GW as on March 31, 2012, of which thermal power, hydroelectric power, nuclear power and renewable energy accounted for 65.79%, 19.53%, 2.39% and 12.27% respectively. The ministry expects to add 76,000 MW in the 12th Plan (2012-17) and 93,000 MW in the 13th Plan (2017-22). The sector expects to attract investments of ₹13 lakhs crores in the 12th Plan. The sector attracted FDI inflows of USD 1,616 million between April to February 2011-12.

BUDGET 2012-13, HIGHLIGHTS

- ECB in power sector permitted to part finance the rupee debt of existing power plants.
- To address the concern of fuel supply constraints, Coal India Limited (CIL) has been advised to sign a fuel supply agreement with power plan that entered into long-term Power Purchase Agreements with DISCOM and will get commissioned on or before March 31, 2015.
- Proposal for full exemption from basic customs duty and a concessional CVD of 1% to steam coal till March 31, 2014.
- Announcement of infrastructure debt fund, increased FII investment and lowering of withholding tax.
- Allocated ₹31.14 billion for Restructured Accelerated Power Development and Reform Programme (R-APDRP).

• Sunset date for tax holiday under Section 80IA for the sector has been extended by a year.

• Additional depreciation of 20% in the initial year is proposed to be extended to new assets acquired by power generation companies.

• Power sector allowed raising tax-free bonds amounting to ₹100 billion in 2012-13.

ACHIEVEMENTS IN POWER GENERATION

Current generation is not adequate to address existing demand; annual demand outstrips supply by 7-12%. Electricity demand is expected to grow at a CAGR of 7% over FY07-FY22 to 1,915 TWh. Some of the highlights for power generation in the year 2011-12 are as follows:

• An all-time high monthly electricity generation of 77.10 BU was achieved during March, 2012 with a growth rate of 2.07%

• An all-time high daily generation of 2.56 BU was achieved on March 28, 2012

• The electricity generation during 2011-12 was 876.43 BU with a growth rate of 8.05% over the previous year. The annual generation target of 855 BU for 2011-12 was achieved by 102.51%

• The thermal generation during 2011-12 was 708.45 BU with a growth rate of 6.53% over the previous year

• The cumulative electricity generation during April 2011–March 2012 from nuclear plants was 128.41% of the programme. The growth rate of nuclear generation during April 2011 to March 2012 was 22.86% over the previous year

(Source: CEA)

THE CATEGORY-WISE DETAILS OF ELECTRICITY GENERATION IN THE COUNTRY DURING APRIL 2011 TO MARCH 2012 ARE GIVEN BELOW:

Category	Program (BU)	Actual Generation* (BU)	% of Program	Actual Generation same period Last year (BU)	Growth (%)
Thermal	712.23	708.45	99.47	665.01	6.53
Nuclear	25.13	32.27	128.41	26.27	22.86
Hydro	112.05	130.43	116.40	114.26	14.15
Bhutan Import	5.59	5.28	94.60	5.61	-5.82
Total	855.00	876.43	102.51	811.14	8.05

*Provisional based on actual-cum-assessment

(Source: CEA)

TRANSMISSION

India's installed transmission capacity is only 13% of the installed generation capacity, which will progressively improve. The Ministry of Power plans to establish an integrated National Power Grid which is expected to be ready by 2012 with close to 200,000 MW generation capacity and 37,700 MW of inter-regional power transfer capacity (present inter-regional power transfer capacity is 20,750 MW). To reduce high transmission and distribution (T&D) losses (around 33%), state electricity boards were unbundled into separate generation, transmission and distribution units; power distribution was progressively privatised through outright privatisation or the franchisee route, resulting in a gradual improvement in metering, billing and collection efficiency.

During 2011-12, upto December 2011, around 10995 Ckm of transmission lines (220 KV and above) and 21,472 MVA of transformation capacity was achieved. Transmission lines and sub-stations at 765 KV, 400 KV and 220 KV completed during the 11th Plan period.

RURAL ELECTRIFICATION

The state-run Rural Electrification Corporation, a leading lender for the power sector, is expected to sanction ₹54,600 crore of loans during 2012-13, around nine percent more than its initial target in 2011-12. The targets for sanction and disbursement of loans were set at ₹54,600 crore and ₹27,300 crore respectively for 2012-13. The Company sanctions loans to state electricity boards, power utilities, state governments and rural electric co-operatives, among others. These targets increased 9.92% in case of disbursements and 9.2% in case of sanctions compared with 2011-12.

RENEWABLE ENERGY SECTOR

Wind-based capacity addition during 2011-12 was estimated at about 2,800 MW (2,350 MW in 2010-11). The actual generation based on the installed renewable energy capacity for FY 2011 stood at about 3% of overall energy demand on a national basis, as compared with the recommended RPO level of 6%.

Wind energy capacity growth is projected at 15% annually, supported by growing demand from the independent power producer segment; the share of the IPP segment improved overall to about 20% in 2010-11 and is expected to increase to about 40-50% in the next three years largely owing to the accelerated depreciation benefit likely to be removed following the proposed introduction of Direct Tax Code by the Government of India. The IPPs announced large projects, with the trend towards higher average size per project (ranging above 50 MW) at a single location. Trading of Renewable Energy Certificates on power exchanges from March 2011 as well as long-term certainty over the floor/cap pricing mechanism of REC are positive developments. The spiraling international cost of conventional energy sources and persistent domestic fuel shortages strengthened the competitiveness of wind energy.

With a sharp increase in prices of fossil fuels (namely coal and R-LNG) internationally and domestic fuel shortages expected to continue over the medium-term leading to reliance on imported coal and R-LNG for the power sector, there has been an upward pressure on the overall cost of generation of power using fossil fuels. As a result, preferential tariffs offered to wind power plants in several states such as Tamil Nadu, Gujarat and Karnataka are competitive with the tariffs of new conventional power plants.

India expects to possess wind energy capacity of around 52,000 MW by 2019-20, 38,000 MW lower than the required level if estimated in line with RPO recommendation of 15% by 2020 the National Action Plan for Climate Change (NAPCC), based on estimates (assuming for share of wind as a source to remain at 70% of overall RE capacity).

Power generation cost (conventional fuel-based) versus wind tariffs	₹/unit
Cost of generation – Imported coal	4.1
Cost of generation – Gas (60%) and R-LNG (40%)	4.4
Cost of generation – Domestic coal (50%) and imported coal (50%)	3.8
Wind (CERC based; at 23% PLF): Maharashtra	4.7
Wind tariff – Tamil Nadu	3.4
Wind tariff – Andhra Pradesh	3.5
Wind tariff – Gujarat	3.6
Wind tariff – Karnataka	3.7
Wind tariff – Rajasthan	4.2

Cap and floor pricing for non-solar REC		
CERC order date	June 1, 2010	August 23, 2011
Validity of control period	till March 31, 2012	April 1, 2012 – March 31, 2017
Cap (₹/Unit)	3.9	3.3
Floor (₹/Unit)	1.5	1.5

Source: CERC orders

HUGE WIND ENERGY POTENTIAL

A fresh study by Lawrence Berkley National Laboratory indicates India's wind energy potential at a staggering 3,000 GW. It claims that the potential for wind energy utilisation with the prevalent technologies is far in excess of earlier estimates by the Center for Wind Energy Technology. The Central Government estimated Indian wind energy potential at 49,000 MW and increased this subsequently to 100 GW. World Wind Energy Association indicated that these findings hold significant policy implications for India as every unit of electricity generated from wind not only helps conserve oil and coal but also prevent emissions of CO2 and greenhouse gases. *(Source: The Economic Times)*

DE-RISKING TECHNO ELECTRIC

INDUSTRY RISK

Techno Electric's growth is largely dependent on power sector growth, which in turn is linked to increasing infrastructure expenditure.

Mitigation

- The government projected a US$ 1-trillion (₹49-lakhs crore) investment in the infrastructure sector during the Twelfth Plan period, with at least 50% of this outlay coming from the private sector (36% in the Eleventh Plan), increasing the certainty of project implementation
- There was a 9.2% growth in power generation in April-December 2011 (4.6% growth in the same period in the previous year) even as the sector was affected by problems in coal and natural gas production.
- The total foreign direct investment inflows into major infrastructure sectors during April-December 2011 grew 23.6% over the previous year

CLIENT ATTRITION RISK

Growing dependence on a handful of clients could impact performance especially in the event of client attrition.

Mitigation

Techno Electric derived close to 70% of its revenues in 2011-12 from its ten largest clients. While this appears as a risk, it progressively offered solutions to a gamut of sectors and companies within those sectors. Besides, the Company enjoys longstanding relationships with large Indian public and private players.

BUSINESS PORTFOLIO RISK

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

Mitigation

Techno Electric provides turnkey solutions for entire power plants. The Company has a wide reference base in executing electrical systems covering transmission, distribution and plant electrical systems in a voltage range of more than 400 KV, insulating it from competitive pressures in the lower end of the business. The Company emerged as an owner of green power generation assets; revenues from which increased from 10.01% in 2009-10 to 14.13% in 2011-12.

TECHNOLOGY AND QUALITY RISK

Technology obsolescence could affect the Company's competitive edge.

Mitigation

Techno Electric develops software for design in accordance with national and international codes, standards and practices. The Company complies with ISO procedures/recommendations for quality plan, sourcing, assessment and development of vendors. Hardware is outsourced as required from various specialised vendors who have worked for long with the Company.

LIQUIDITY RISK

A delay in receivables could affect the Company's viability.

Mitigation

Techno Electric works with financially robust clients with comfortable liquidity. Some of the Company's clients comprise large Indian companies. It generally works with clients on projects that have achieved financial closure. It also selects to work with clients that have been favourably appraised by the rating agencies.

Besides, Techno Electric enjoys an attractive gearing of only 0.62, has been consistently cash-positive in its EPC segment, and employs a modest working capital (Less than 1% of its employed capital).

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Techno Electric 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.

FINANCIAL PERFORMANCE

During the year, Techno Electric posted a consolidated gross revenue of ₹81,986.32 lakhs, showing modest growth of 14.41% over the previous year. It recorded a consolidated net profit of ₹12,089.15 lakhs for the year under review.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

Over the years, Techno Electric invested in competencies through recruitment, training and retention. It had 500 employees as on March 31, 2012, enjoying a cordial working relationship.

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 undertake various CSR initiatives and contributed more than 2.00% of its bottomline for the aforesaid activities in 2011-12. The Company contributed significantly towards education and environmental projects which were carried out through the following organisations:

Akshaya Patra Foundation: A charitable institution which supplies food to millions of students in various schools on a daily basis.

Friends of Tribal Society: An institution which promotes education in remote areas, mainly in tribal belts.

Bhalopahar Society: A society formed to restore threatened ecological systems which have been subject to rapid depletion of vast forest areas. It also nurtures and propagates folk culture and disseminates environmental education to tribal children.

DIRECTORS' REPORT

To,

The members of

Techno Electric & Engineering Company Limited

Your Directors take pleasure in presenting the 7th annual report, along with the audited accounts of the Company, for the year ended March 31, 2012.

FINANCIAL RESULTS

Your Company's operations during the financial year ended March 31, 2012 which comprises the EPC business and power generation business resulting in:

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Profit before interest and depreciation	15,545.80	15,930.63
Less : Interest	2,447.45	1,824.56
Depreciation	1,503.32	1,505.11
Profit before tax	11,595.03	12,600.96
Provision for taxation (including deferred income tax, fringe benefit tax and security transaction tax)	2,329.85	2,511.92
Profit after taxation	9,265.18	10,089.04
Balance brought forward from previous year	0.51	1.52
	9,265.69	**10,090.56**
Appropriations		
Transfer to general reserve	7,200.00	8,763.00
Proposed dividend	1,712.74	1,141.82
Provision for tax on proposed dividend	277.85	185.23
Surplus carried to balance sheet	75.10	0.51
	9,265.69	**10,090.56**

DIVIDEND

Your Directors recommended a dividend of ₹3 per equity share of nominal value of ₹2 each for the financial year ended March 31, 2012.

REVIEW OF OPERATIONS

The Company's operation in 2011-12 comprised EPC business and power generation. During the year, the Company achieved a turnover of ₹73,220.11 lakhs and profit after tax of ₹9,265.18 lakhs. The Company operates mainly in two segments – EPC and energy sale (power) within the power sector. The Company's performance was extremely satisfactory despite challenging market conditions and successful implementation of capex programme through its subsidiary. The Company having invested itself in building power sector assets during the last year and the year under review, the benefits of these investments will be visible significantly in the coming years.

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 83.09 million units of energy (power) during 2011-12, earning a revenue of ₹2,815.51 lakhs. The units sold in the year under review were less than the previous year, because the entire power could not be evacuated due to the problem with the grid.

EPC BUSINESS

During 2011-12, the following projects were completed successfully:

1. 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 modernisation work in Bhokar and Nanded Divisions under Nanded Circle of Latur Zone for Maharashtra State Electricity Distribution Co. Ltd.
2. 400KV/220KV/132KV, 24 bay sub-station at Kabulpur for Jhajjar KT Transco Pvt Ltd, Haryana, an SPV under PPP model between Kalpataru Power Transmission Ltd and Techno Electric & Engineering Co. Ltd.
3. 400KV/220KV/132KV, 24 bay sub-station at Dipalpur for Jhajjar KT Transco Pvt Ltd, Haryana, an SPV under PPP model between Kalpataru Power Transmission Ltd and Techno Electric & Engineering Co. Ltd.
4. Fuel Oil Unloading & Storage System for NTECL's Vallur Thermal Power Project (3 x 500 MW) of NTPC Tamilnadu Energy Ltd.
5. Cabling, earthing, lightning protection, illumination, plant communication system, DC power supply system and stand-by power supply system for 1st unit of 250 MW Harduagunj Power Plant extension (2x250 MW) for UP Rajya Vidyut Utpadan Nigam Ltd, Lucknow through NTPC Consultancy Ltd.
6. Construction of Kalna 132/33 KV sub-station along with 2 132 KV line bays at Satgachia 220/132/33 KV sub-station in the district of Bardhaman on a turnkey basis under Package-3 of WBSETCL.
7. Ash water recirculation system package for Simhadri Super Thermal Power project (2x500 MW) of NTPC Ltd.
8. Construction of Dalkhola 220/132/33 KV sub-station in the district of Dinajpur (N) on a turnkey basis under Package-5 of WBSETCL.
9. Electrical installation works comprising erection of various electrical equipment, cable laying and termination, grounding work, among others for New Parli Unit No. 2 (250MW) of MSPGCL.
10. Electrical installation works comprising erection of various electrical equipment, cable laying and termination, grounding works, among others for Paras TPS Expn. Project Unit No. 2 (250MW) of MSPGCL.
11. DC Busbar (Positive & Negative) fabrication and erection at Hindalco, Mahan for Areva T&D –Bargawan.

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

1. Turnkey execution of RGGVY work for 780 villages in Madhepura and Saharsa Districts of Bihar in XIth Plan for BSEB, Patna.
2. Turnkey execution of 400 KV sub-stations at Ashta, Pithampur and Chhegaon of Madhya Pradesh Power Transmission Co Ltd.
3. Turnkey execution of 400/132 KV switchyard for Kameng Hydroelectric Project (Package-VI), Arunachal Pradesh for NEEPCO Ltd, Shillong.
4. Construction of a new 132 KV sub-station under Assam Power Sector Enhancement Investment Programme of Assam Electricity Grid Corporation Ltd. funded by ADB.

5. Establish a 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.
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 KV sub-stations at Nathnagar, Chakia, Siddequipur of UP Power Transmission Corporation Ltd, Lucknow.
8. Fuel oil unloading and storage system, station piping package for Barh Super Thermal Power project (3x660 MW) for NTPC Ltd.
9. Execution of on-site works including ETC work for installing 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.
10. Supply, erection, testing and commissioning of fuel oil handling and storage system for IOCL, Paradeep (Orissa) for BHEL.
11. Turnkey construction of 132/33 KV sub-station at Kurseong, Darjeeling for West Bengal State Electricity Transmission Co. Ltd.
12. ETC of 765 KV switchyard for 6x660 MW Sasan Ultra Mega Power Plant at Singrauli of Reliance Infrastructure Ltd.
13. Fuel oil handling system for 2x600 MW Shrisingaji Thermal Power Project through BHEL, New Delhi.
14. Engineering, procurement of materials, proto making, fabrication, erection, alignment, orientation, inspection, testing, etc of 360KA busbar system meeting Aluminium Pachiney's specifications and norms for Mahan Smelter Project of Hindalco Industries Ltd in Madhya Pradesh in technical collaboration with CANMAC, Canada.

During the year, the Company was exceptionally successful in bagging many prestigious orders, the major amongst them are:

1. Turnkey contract for 765 KV Raigarh pooling station (Near Kotra), Extension of 765 KV (Near Kotra) and extension of 400 KV Raigarh (existing) sub-station associated with establishing pooling stations at Raigarh (Near Kotra) and Raipur for IPP generation projects in Chhattisgarh for PGCIL.
2. Turnkey contract for extension of 765 KV bays at 765/400 KV Gwalior Sub-Station, Extension of 765 KV Bina Sub-Station, Extension of 765 KV Jabalpur pooling Sub-Station & Extension of 765/400 KV Indore Sub-Station associated with Transmission System for Phase - I generation project in Orissa Part-C for PGCIL.
3. Turnkey Execution of 220/66/11 KV, 1x100 MVA Sub-Station at mandhala in Dist. Solan (H.P.) on Turn Key Basis for Himachal Pradesh State Electricity Board Ltd, Simla.
4. Turnkey execution of 765/400 KV Extension Bays at Indore Sub-Station and Pirana Sub-Station under Transmission system of IPP Generation Projects in MP & Gujarat for PGCIL.
5. Turnkey execution of 400KV Extension Bays at Jabalpur (Pooling) Sub-station under Transmission System for MB Power (M.P.) for PGCIL.
6. Supply, Erection, Testing and commissioning of Fuel Oil Handling System Package for Prayagraj Thermal Power Project (3x660 MW) at Tehsil-Bara Dist. Allahabad, Uttar Pradesh.
7. Supply, Fabrication and Erection of Busbar System at Hindalco Industries Ltd., Hirakud for BEROA-UNISEVEN Refactory Services Pvt. Ltd., Kolkata.
8. Supply Erection, Testing & Commissioning etc. of GT, ST, UAT, Misc Transformer, Bus-duct, HT/LT SWGR panel, misc. panel, cabling etc. for 2x363.3 MW CCPP at Palantana, Tripura for BHEL.
9. Fuel Oil Handling System for 1 x 500 MW Unit at Bokaro-A TPS, Jharkhand for BHEL.
10. Supply of Metering panel for 220 KV bay work at Bhilwara (RRVPNL) for Jindal Saw Ltd.
11. Plant Electricals & Instrumentation Erection Work for D M Plant package at OTPC Tripura of Mc Nally Bharat Engineering Co. Ltd., Kolkata.

SUBSIDIARIES

Simran Wind Project Private Limited (Simran), a subsidiary of the Company is solely engaged in wind power generation. During the year, Simran has successfully commissioned 111.9 MW of wind power generation capacity in the state of Tamil Nadu with a total capital outlay of ₹6,546 million. The project has been financed by International Finance Corporation (IFC), the lending arm of the World Bank, Standard Chartered Bank and DBS. IFC also acquired a stake of 3.38% in Simran. Simran has entered into a power purchase agreement for the newly developed 111.9 MW capacity with TANGEDCO under Renewable Energy Scheme and also this capacity is eligible for generation-based incentive which has been successfully registered with IREDA. Simran boasts the title of being the first project developer in the country to have won accreditation for more than 100 MW for its wind generation project under the REC Scheme. Simran's now total wind power generation capacity stands to 162.35 MW. Simran has generated 208.19 million units during 2011-12.

In terms of the general circular no. 2/2011 dated February 8, 2011 issued by Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary company as disclosed in the Annual Report is in compliance with the said circular. 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 and that of the subsidiary. The consolidated financial statement presented by the Company include the financial results of its subsidiary company.

FUTURE OUTLOOK

Even with the GDP falling to 6.5%, India remains one of the world's fastest-growing economies. However, the country's energy sector has been unable to accelerate with increasing demands, and there is an urgent need to bolster its installed energy capacity. India accounts for 4% of global power generation, and has the fifth-largest generation capacity in the world. The demand for electricity in India is expected to grow by around 6.5-7.5% over the medium term. CRISIL Research estimates capacity additions of around 86 GW between 2011-12 and 2015-16, led by the private sector almost double the 42 GW added between 2006-07 and 2010-11. Nearly 100 GW of fresh capacity addition is targeted in the 12th and 13th Five-Year Plans.

The Union Budget 2012-13 was positive for the power sector. The exemption of 5% customs duty on thermal coal, natural gas and liquefied natural gas (LNG) will provide some relief. Extension of the sunset clause by one year to avail the 10-year tax holiday for the new power projects, and additional depreciation of 20% in the first year for power generation projects augurs favourably. The proposal to allow external commercial borrowings to part-finance the rupee debt of existing power projects and reduction of withholding tax (from 20% to 5%) on interest payments on ECBs is expected to reduce borrowing costs.

India is one of the world's emerging players in the wind energy segment. The Center for Wind Energy Technology has estimated Indian wind energy potential at 49,000 MW. The Indian power market is evolving rapidly from a "nascent" market phase to a "developing" phase. The next financial year presents a promising future for the growth of renewable energy technologies in general. This perception is borne out of predictions regarding various policy and regulatory incentives that are likely to influence the sector's growth. The emerging dynamics of the Indian power market shall require that the industry players realign their strategies and operating models to the changing sectoral trends. Additionally, the REC scheme, which is at present a blossoming market, can be expected to provide an alternate and progressively attractive market for selling energy for newer wind farms in the near future.

Renewable energy emphasises the twin perspectives of energy security and environmental sustainability. It's the route to placate the increased demand and constrained supply of energy while minimising environmental damage. Techno is well poised to capitalise on this growth in the power sector. The Company proposes to build upon its experience and proven expertise in bidding for larger projects and consolidate its presence across a lower number of high value projects.

DIRECTORS

Mr. V. D. Mohile, Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for reappointment. A brief profile of Mr. Mohile is attached with the Corporate Governance Report.

LISTING OF SHARES

The equity shares of the Company continue to be listed with Bombay Stock Exchange Ltd (BSE), and the National Stock Exchange of India Ltd (NSE). The listing application with 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 are eligible for reappointment. The Company has received communication from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The notes on the financial statements referred to by the auditors in their report are self-explanatory and, in the opinion of the Board, do not require any further clarification.

COST AUDITORS

The Board of Directors has reappointed Mr. Saibal Sekhar Kundu, Cost Accountant, of E7/7 Karunamoyee Housing Estate, Salt Lake City, Kolkata - 700 091 bearing Membership No. 9379 , as the cost auditors of the Company under Section 233B of the Companies Act, 1956 for 2012-13 and requisite approval is awaited from the Central Government.

The Cost Audit Report for the year ended March 31, 2012 will be forwarded to the Central Government within the statutory time limit in pursuance of the provisions of Companies Act, 1956.

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

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure I forming part of this report.

PARTICULARS OF 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.

CORPORATE GOVERNANCE

A separate report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached 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, 2012 are on a going-concern basis

ACKNOWLEDGEMENTS

Your Directors wish to express their gratitude to the shareholders, various customers and their consultants, different government departments and the Company's bankers for their continued support to the Company. The Directors look forward to their support in future.

For and on behalf of the Board of Directors

K. M. Poddar
Director

P. P. Gupta
Managing Director

Place: Kolkata,
Dated: June 30, 2012

ANNEXURES TO THE DIRECTORS' REPORT

Annexure I

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 per Form B given as hereafter

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, 2012

Technologies absorbed:

Research & development (R & D)

1. Specific areas in which R&D was carried out by 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.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign exchange earning	-	NIL
Foreign exchange outgo	-	₹466.09 lakhs

For and on behalf of the Board of Directors

Place: Kolkata,	**K. M. Poddar**	**P. P. Gupta**
Dated: June 30, 2012	*Director*	*Managing Director*

REPORT ON
CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is based on the principles of equity, fairness, transparency, spirit of law and honest communication. The Company advocates the view that timely disclosures, transparent accounting policies and a strong and independent Board goes a long way in preserving shareholders trust along and ensuring efficient working and proper conduct of the business of the Company. The provisions regarding Corporate Governance are entailed in Clause 49 of the Listing Agreement and are regulated by the Securities and Exchange Board of India (SEBI). The Company is in full compliance with 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. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. There are six members, out of which five members are Non-executive independent. The Company has an Executive Chairman (Managing Director).

As of March 31, 2012, there were four meetings of the Board during the year on May 10, 2011, July 16, 2011, November 12, 2011 and February 11, 2012. The names of the Directors, their attendance at Board Meetings during the year, attendance at last AGM and the number of other directorships and Board Committee memberships held by them at March 31, 2012 are listed in the following table

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
			Member	Chairman		
Mr. P. P. Gupta Managing Director	Executive	2	–	–	4	Yes
Mr. K. M. Poddar Director	Independent Non-executive	3	1	1	4	–
Mr. V. D. Mohile Director	Independent Non-executive	1	–	–	4	Yes
Mr. K. Vasudevan Director	Independent Non-executive	2	–	1	4	–
Mr. K. K. Rai Director	Independent Non-executive	4	3	1	2	Yes
Mr. S. N. Roy Director	Independent Non-executive	8	1	–	4	Yes

The number of Committees (Audit, Remuneration Committee and Share Transfer and Shareholders'/Investors' Grievance Committee) of public limited companies in which a Director is a member/chairman were within the limits provided under Clause 49 of the Listing Agreement, for all the Directors of the Company.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

Mr. V.D. Mohile, aged 79 years, residing at Flat C-301, The Pearl Housing Society, 1/9A/2 Balewadi, Pune - 411045, is a Bachelor of Engineering (Electrical Mechanical), and holds a Post Graduate Diploma in Industrial Management. He has been General Manager, Bharat Heavy Electrical Limited; Chairman, Orissa Power Generation Corporation; and Chief Executive, Indian Aluminum Co. Ltd. He has a very sound technical knowledge. He holds 9,302 shares in the Company.

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, 2012, 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, 2012.

AUDIT COMMITTEE

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 considered 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.

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.

As on March 31, 2012 four meetings of the Audit committee were held on May 10, 2011, July 16, 2011, November 12, 2011 and February 11, 2012. The attendance of members is as follows:

Name	Number of Attendance
Mr. K. Vasudevan, Chairman	Four
Mr. K. M. Poddar, Member*	Four
Mr. V. D. Mohile, Member	Four
Mr. K. K. Rai, Member	Two

* Resigned from the Audit committee membership with effect from May 7, 2012

P. P. Gupta, Managing Director, Mr. P. K. Lohia, President (Finance), Mr. Deepak Bafna, General Manager (Accounts and Finance), Mr. N. M. Bachhawat, Senior Deputy General Manager (Accounts), representatives of the statutory auditors and internal auditors of the Company also attended the meetings.

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 and date	Venue	Time	No. of special resolutions passed
March 31, 2009 AGM	Thursday, September 17, 2009	The Calcutta School of Music, 6B, Sunny Park, Kolkata-19	11.30 a.m.	3
March 31, 2010 AGM	Saturday, September 18, 2010	Bhartiya Bhasha Parisad, 36, Shakespeare Sarani, Kolkata-17	11.30 a.m.	2
March 31, 2011 AGM	Friday, September 2, 2011	The Calcutta School of Music, 6B, Sunny Park, Kolkata-19	11.30 a.m.	–
EGM	Wednesday, March 17, 2010	Bhartiya Bhasha Parisad, 36, Shakespeare 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

POSTAL BALLOT:

No special resolution requiring a postal ballot was passed last year. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

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 by the Company, with its promoters, directors or the management or their relatives etc (except the payment of remuneration to the Managing Director and a relative of the Managing Director), during the year, that may have potential conflict with the interests 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 standards 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, preferential issue among others during the year.
6. The non-executive Directors have not been paid any remuneration other than sitting fees.
7. Management discussion and analysis report forms part of this Annual Report.

MEANS OF COMMUNICATION:

The Company has established systems and procedures to enable its stakeholders to have access to the complete information about the Company. The website of the Company (www.techno.co.in) plays a pivotal role by disseminating information to all stakeholders in a convenient manner. The Company has also commenced processing of investor complaints in 'SCORES', a centralised web based complaints redress system of SEBI vide SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2012. Correspondingly an e-mail id – desk.investors@techno.co.in has been designated exclusively for investor servicing.

All information which could have a material bearing on the Company's share price is disseminated to the National Stock Exchange of India Limited (NSE), the Bombay Stock Exchange Limited (BSE). And all official news releases and presentations are posted on the Company's website www.techno.co.in

Quarterly and annual results of the Company are published in widely circulated national newspapers – *'The Hindu Business Line'* and *'Business Standard'* and the local vernacular daily *'Arthik Lipi'*. The quarterly compliance report on Corporate Governance as prescribed under Clause 49 of the Listing Agreement and the shareholding pattern of the Company as prescribed under Clause 35 of the Listing Agreement executed with the stock exchanges are also filed through NSE Electronic Application Processing (NEAP) System.

GENERAL SHAREHOLDER INFORMATION:

1. The 7th Annual General Meeting is scheduled to be held on August 11, 2012 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**

		Financial year 2012-2013
1	First quarter results	Within 45 days from June 30, 2012
2	Second quarter and half-yearly results	Within 45 days from September 30 , 2012
3	Third quarter results	Within 45 days from December 31, 2012
4	Fourth quarter results	Within the time prescribed under the Listing Agreement (as amended).

4. **Date of book closure** : From July 25, 2012 to July 31, 2012 (both days inclusive). The same shall be intimated through stock exchanges, newspaper and with the notice convening the Annual General Meeting.
5. **Dividend payment date** : Between August 16, 2012 and August 25, 2012.
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 2012-13 have been paid to all the stock exchanges as mentioned above.

7. **Market Price Data:**

Stock Exchange Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (₹ in Lakhs)	High (₹)	Low (₹)	Volume (₹ in Lakhs)
April, 2011	280.00	235.00	2101.92	279.90	235.25	2026.38
May, 2011	259.95	211.10	1392.31	259.50	225.25	1507.22
June, 2011	247.80	211.25	1341.36	245.50	211.15	917.15
July, 2011	239.95	213.10	881.78	239.20	217.50	589.56
August, 2011	237.00	183.00	583.31	234.95	183.00	999.40
September, 2011	240.30	193.00	1770.96	240.05	185.65	1858.89
October, 2011	235.00	201.00	767.12	235.50	202.45	566.72
November, 2011	244.00	181.10	465.25	232.05	181.50	515.85
December, 2011	223.00	175.00	840.05	206.90	175.05	696.63
January, 2012	218.95	183.50	623.92	217.45	182.00	890.56
February, 2012	280.00	215.00	1719.23	267.40	215.25	2344.89
March, 2012	234.40	175.00	1461.54	233.80	180.50	1808.10

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

Month	Price at BSE			BSE Sensex		
	Opening (₹)	Closing (₹)	Change (%)	Opening (₹)	Closing (₹)	Change (%)
April, 2011	248.00	249.45	0.58	19463	19136	-1.68
May, 2011	245.00	236.00	-3.67	19224	18503	-3.75
June, 2011	231.90	227.45	-1.92	18527	18846	1.72
July, 2011	231.90	230.00	-0.65	18975	18197	-4.10
August, 2011	234.55	199.75	-14.84	18352	16677	-9.13
September, 2011	204.00	225.40	10.49	16964	16454	-3.01
October, 2011	218.50	229.55	5.06	16256	17705	8.91
November, 2011	227.00	189.90	-16.34	17541	16123	-8.08
December, 2011	199.90	188.00	-5.95	16556	15455	-6.65
January, 2012	188.00	215.95	14.87	15535	17194	10.68
February, 2012	227.00	228.95	0.86	17180	17753	3.34
March, 2012	215.75	185.40	-14.07	17715	17404	-1.75

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

Month	Price at NSE			Nifty		
	Opening (₹)	Closing (₹)	Change (%)	Opening (₹)	Closing (₹)	Change (%)
April, 2011	249.95	249.75	-0.08	5835	5750	-1.47
May, 2011	245.00	235.10	-4.04	5767	5560	-3.59
June, 2011	231.55	227.00	-1.97	5561	5647	1.55
July, 2011	223.00	230.05	3.16	5709	5482	-3.97
August, 2011	231.00	199.95	-13.44	5528	5001	-9.53
September, 2011	199.60	223.00	11.72	5110	4943	-3.26
October, 2011	221.90	224.95	1.37	4874	5327	9.28
November, 2011	227.25	185.85	-18.22	5279	4832	-8.46
December, 2011	199.50	184.40	-7.57	4971	4624	-6.97
January, 2012	183.55	215.90	17.62	4640	5199	12.05
February, 2012	217.00	228.70	5.39	5198	5385	3.60
March, 2012	233.80	189.95	-18.76	5366	5296	-1.31

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, 2012:**

Slab	No. of Shareholders		No. of Shares	
	Number	Percentage (%)	Number	Percentage (%)
1 - 500	3353	77.92	388255	0.68
501 - 1000	351	8.15	289446	0.51
1001 - 5000	392	9.11	907365	1.59
5001 - 10000	93	2.16	726117	1.27
10001 - 50000	77	1.80	1716773	3.01
50001 - 100000	11	0.25	727098	1.27
100001 & Above	26	0.60	52336146	91.67
Total	**4303**	**100.00**	**57091200**	**100.00**

(ii) **Shareholding Pattern as on March 31, 2012:**

Shareholders (Category)	No. of Shares held	% of Total Shares
Promoters	31382923	54.97
Private corporate bodies	20813269	36.46
Indian public	3193768	5.59
Foreign Institutional Investors (FIIs)	563303	0.99
Mutual funds	877493	1.54
Non-Resident Indians (NRIs)	20261	0.03
Central Government /State Government	21000	0.04
Others (Clearing members)	219183	0.38
Total	**57091200**	**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, 2012 are given below:-

Name of the depository	No. of Shares	% of Total share capital
National Securities Depository Limited	46894667	82.14
Central Depository Services (India) Limited	2371295	4.15

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 generators in Tamilnadu and 8 wind turbine generators in Karnataka with an aggregate generating capacity of 45 MW.

15. **Company details:**

Address for correspondence : Techno Electric & Engineering Company Ltd.
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 (CIN) : L40108WB2005PLC139595

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 namely technical, financial 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:** Remuneration committee comprises of 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 the 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 to establish an order of unqualified financial statements, the Company is adopting best possible practices.

(5) **Training of Board members:** Presently the Company does not have such training programme. All the Board members are vast experienced and have expertise in their respective fields.

(6) **Mechanism for evaluating Non-executive Board members:** Evaluation of performance of Non-Executive Directors are being 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.

CERTIFICATE

To the members of
Techno Electric & Engineering Company Limited

We have examined the compliance of conditions of code of Corporate Governance by Techno Electric & Engineering Company Limited, for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement with the Bombay Stock Exchange and the National Stock Exchange.

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 has complied with the conditions of Corporate Governance as stipulated in the aforementioned 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, 2012 there are no investor grievance matters against the Company remaining unattended/pending for more than 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
Firm Registration No. 302034E

R. N. Bardhan
Partner
Membership No. 17270

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

Place: Kolkata
Date: June 30, 2012

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, 2012 and that to the best of our knowledge and belief:

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

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

(b) There are, to the best of 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	**P. P. Gupta**	**P. K. Lohia**
Date: June 30, 2012	*Managing Director*	*President (Finance)*

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, 2012.

P. P. Gupta

Place: Kolkata *Managing Director*

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, 2012, the Statement of Profit and Loss 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, the Statement of Profit and Loss 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, 2012 from being appointed as a Director under Section 274(1)(g) of the Companies Act, 1956.

e) Subject to Note no. 1(b) 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 Statement of Profit and Loss 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, 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, 2012 and the Statement of Profit and Loss 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 ₹ 9,828.15 Lakhs to its subsidiary company from time to time during the year (balance as on 31st March, 2012 ₹ 870 Lakhs) and the terms and conditions of such loan are not prima facie 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 March 31, 2012 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 March 31, 2012 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.

1. 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 30th day of June, 2012

R. N. Bardhan
Partner
Membership No.17270

Balance Sheet as at March 31, 2012

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,141.82	1,141.82
Reserves and Surplus	3	51,907.28	44,632.69
Non-current Liabilities			
Long-term Borrowings	4	–	3,030.30
Deferred Tax Liabilities (Net)	5	73.85	63.87
Other Long term Liabilities	6	10,594.94	14,554.66
Long-term Provisions	7	104.35	83.45
Current Liabilities			
Short-term Borrowings	8	15,461.79	15,686.50
Trade Payables	9	9,926.58	8,471.15
Other Current Liabilities	10	3,658.54	5,431.85
Short-term Provisions	11	2,064.58	1,516.53
Total		**94,933.73**	**94,612.82**
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	23,470.00	24,873.30
Capital work-in-progress		66.95	–
Non-current Investments	13	39,246.20	35,491.69
Long-term Loans and Advances	14	159.81	134.85
Current Assets			
Current Investments	15	10.25	18.13
Inventories	16	227.60	831.87
Trade Receivables	17	19,744.17	15,460.85
Cash and Cash Equivalents	18	1,445.31	1,853.49
Short-term Loans and Advances	19	10,485.07	15,886.60
Other Current Assets	20	78.37	62.04
Total		**94,933.73**	**94,612.82**
Significant Accounting Policies	1		

The notes 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

P. P. Gupta
Managing Director

Centre Point
21, Old Court House Street
Kolkata - 700 001
The 30th day of June, 2012

R. N. Bardhan
Partner
Membership No. 17270

N. Brahma
Company Secretary

K. M. Poddar
Director

Statement of Profit and Loss for the year ended March 31, 2012

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
I. Revenue from Operations	21	73,220.11	68,110.81
II. Other income	22	1,929.94	2,846.52
III. Total Revenue (I + II)		**75,150.05**	**70,957.33**
IV. Expenses:			
Materials and Stores	23	50,688.94	48,773.94
(Increase)/Decrease in Inventories	24	604.27	(135.31)
Employee Benefits Expense	25	2,799.24	2,329.00
Finance Cost	26	2,447.45	1,824.56
Depreciation and Amortization Expense	12	1,503.32	1,505.11
Other Expenses	27	5,511.80	4,059.07
Total Expenses		**63,555.02**	**58,356.37**
V. Profit Before Tax (III –IV)		**11,595.03**	**12,600.96**
VI. Tax Expense:			
Current Tax		2,319.87	2,511.57
In respect of earlier years		–	3.26
Deferred Tax		9.98	(2.91)
		2,329.85	**2,511.92**
VII. Profit for the period (V – VI)		**9,265.18**	**10,089.04**
Earnings per Equity Share:			
Basic & Diluted	28	16.23	17.67
Significant Accounting Policies	1		

The notes referred to above form an integral part of the Statement of Profit and Loss.

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

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

P. P. Gupta
Managing Director

Centre Point
21, Old Court House Street
Kolkata - 700 001
The 30th day of June, 2012

R. N. Bardhan
Partner
Membership No. 17270

N. Brahma
Company Secretary

K. M. Poddar
Director

NOTES

Note: 1. SIGNIFICANT ACCOUNTING POLICIES

a) **Accounting Concept:**

The Financial Statements 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.

b) **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.

c) **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 respective State Utilities .

d) **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.

e) **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.

f) **Fixed Assets:**

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.

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

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.

Leasehold Land is amortised over the period of lease and the amortisation amount included under Depreciation.

g) **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.

h) **Investments:**

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

i) **Inventories:**

Contract work-in-progress is stated at cost or market value whichever is lower. However, materials purchased are charged to Statement of Profit and Loss as and when purchased. Process Stock is valued at cost or net realisable value, whichever is lower.

j) **Foreign Currency Transactions:**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Exchange differences, arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded , are recognised in the Statement of Profit and Loss.

In respect of long term foreign currency monetary items, the Company has availed the option to adjust the cost of the asset towards the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded, in so far as they relate to depreciable capital asset and depreciating the same over the balance life of asset.

k) Employee Benefits:

Contributions to defined contribution scheme in the form of provident and other funds are charged to the Statement of Profit and Loss. In respect of certain employees, provident fund contributions are made to a 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.

l) 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% tax holiday for a period of 10 consecutive years out of 15 years, from the year in which the generation of power is started. 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.

m) 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.

n) 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.

Notes on Financial Statements for the year ended March 31, 2012

NOTES

Note: 2. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Authorised Share Capital		
55020000 Preference Shares of ₹ 10 each	5,502.00	5,502.00
424900000 Equity Shares of ₹ 2 each	8,498.00	8,498.00
Total	**14,000.00**	**14,000.00**
Issued, Subscribed & Paid up		
57091200 Equity Shares of ₹ 2 each fully paid up	1,141.82	1,141.82
Total	**1,141.82**	**1,141.82**

Note: 2a. The reconciliation of the number of shares outstanding is set out below:

	Equity Shares	
	As at March 31, 2012	As at March 31, 2011
Particulars	Nos.	Nos.
Shares at the beginning of the year	5,70,91,200	5,70,91,200
Shares issued during the year	–	–
Shares at the end of the year	**5,70,91,200**	**5,70,91,200**

Note: 2b. List of shareholders in excess of 5% is set out below:

	Equity Shares			
	As at March 31, 2012		As at March 31, 2011	
Name of Shareholder	Nos.	% of holding	Nos.	% of holding
Varanasi Commercial Ltd.	1,21,94,900	21.36	1,21,94,900	21.36
Kusum Industrial Gases Ltd.	70,83,000	12.41	70,83,000	12.41
Techno Leasing & Finance Co. Pvt. Ltd.	68,94,000	12.08	68,94,000	12.08
Noble Communication Pvt. Ltd.	50,77,321	8.89	50,87,321	8.91
J. P. Financial Services Pvt. Ltd.	49,59,531	8.69	49,59,531	8.69
Aarkay Investments Pvt. Ltd.	43,35,215	7.59	43,35,215	7.59
Techno Power Projects Ltd.	32,04,000	5.61	32,04,000	5.61

Note: 2c. Details of shares allotted otherwise than cash during the previous 5 years is set out below:

Particulars	Aggregate No. of Shares
Equity Shares	
Fully paid up pursuant to contract(s) without payment being received in cash *	5,70,91,200
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

* The shares were allotted without any consideration pursuant to Scheme of Amalgamation.

Note: 2d. Rights, Preferences and Restrictions attached to the Shares:

The equity shares of the Company of nominal value of ₹ 2 per share rank pari passu in all respects including voting rights and entitlement to dividend.

NOTES

Note: 3. RESERVES & SURPLUS

(₹ in Lakhs)

Particulars	As at March 31, 2012		As at March 31, 2011	
Capital Reserves				
As per last Balance Sheet		1,572.66		1,572.66
Securities Premium Account				
As per last Balance Sheet		9,642.50		9,642.50
Debenture Redemption Reserve				
As per last Balance Sheet	1,820.00		1,820.00	
Less : Transfer to General Reserve	456.36	1,363.64	–	1,820.00
General Reserves				
As per last Balance Sheet	31,597.02		22,834.02	
Add : Transfer from surplus in Statement of Profit & Loss	7,200.00		8,763.00	
Add : Transfer from Debenture Redemption Reserve	456.36	39,253.38	–	31,597.02
Surplus				
As per last Balance Sheet	0.51		1.52	
Add : Net Profit for the current year	9,265.18		10,089.04	
Less : Proposed Dividends	1,712.74		1,141.82	
Less : Tax on Dividends	277.85		185.23	
Less : Transfer to General Reserve	7,200.00	75.10	8,763.00	0.51
Total		**51,907.28**		**44,632.69**

Note: 4. LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured		
Debentures		
500 (Previous Year: 500) 7.5% Non-Convertible Debentures of ₹ 2,72,728 each (Previous Year: ₹ 6,36,364 each)	–	1,363.64
(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 subsidiary company, in respect of 50.45 MW project situated at Melamaruthappapuram Vill, Veerakeralamputhur Taluk, Tirunelveli District, Tamil Nadu and a non-disposal undertaking executed in favour of the trustees on a pari-passu basis with debenture-holders of Simran Wind Project Private Limited)		
(The debentures are redeemable in 11 equal installments and last installment due on November 20, 2012)		
Term Loans		
From DBS Bank	–	1,000.00
From Indusind Bank	–	666.66
(The above loans are secured by way of first charge on the fixed assets and current assets of the Energy (Power) Division of the company ranking pari-passu.)		
Total	**–**	**3,030.30**

Notes on Financial Statements for the year ended March 31, 2012

NOTES

Note: 5. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As on April 1, 2011	Charge/(Reversal) during the year	As at March 31, 2012
Deferred Tax Liabilities			
In respect of Fixed Assets	63.87	9.98	73.85
Net Deferred Tax Liabilities/ (Assets)	**63.87**	**9.98**	**73.85**

Note: 6. OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Advance received from customers	10,594.94	14,554.66
Total	**10,594.94**	**14,554.66**

Note: 7. LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits		
Leave Encashment (unfunded)	104.35	83.45
Total	**104.35**	**83.45**

Note: 8. SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured		
Working Capital Loans from Banks		
Foreign Currency Loans	6,965.65	3,186.50
Rupee Loans		
Term Loan	1,000.00	–
Bank Overdraft	2,996.14	–
(Above Loans are secured against hypothecation of Components, Raw-Materials, Work-in-progress, Plant & Machinery, Book Debts of EPC Division of the Company Ranking pari-passu. Rupee loans are additionally secured by personal guarantee of the Managing Director of the Company.)		
	10,961.79	**3,186.50**
Unsecured		
From Banks	2,000.00	2,500.00
Commercial Paper	2,500.00	7,500.00
From other parties	–	2,500.00
	4,500.00	**12,500.00**
Total	**15,461.79**	**15,686.50**

Note: 9. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade Payables	9,926.58	8,471.15
Total	**9,926.58**	**8,471.15**

Note : To the extent identified from available information, there is no amount due to micro, small and medium size enterprises as on March 31, 2012

Notes on Financial Statements for the year ended March 31, 2012

NOTES

Note: 10. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Current maturities of long-term debt	3,030.30	5,151.52
Interest accrued but not due on borrowings	48.56	103.70
Unpaid Dividend	17.38	15.26
Statutory Liabilities	562.30	161.37
Total	**3,658.54**	**5,431.85**

Note: 11. SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits		
Salary, Bonus and Reimbursements	72.80	62.16
Provision for Dividend	1,712.74	1,141.82
Tax on Dividend	277.85	185.23
Provision for Income Tax (Net of advance tax and Tax deducted at source ₹ Nil, Previous Year ₹ 9,250.09 Lakhs)	–	126.09
Provision for Fringe Benefit Tax (Net of advance tax ₹ 40.63 Lakhs)	0.37	0.37
Provision for Wealth Tax	0.82	0.86
Total	**2,064.58**	**1,516.53**

Note: 12. FIXED ASSETS

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at April 1, 2011	Additions	Deductions/ Adjustments	Balance as at March 31, 2012	Balance as at April 1, 2011	For the year	On disposals	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at April 1, 2011
Tangible Assets										
Freehold Land	563.23	–	–	563.23	–	–	–	–	563.23	563.23
Leasehold Land	107.37	–	–	107.37	3.02	3.58	–	6.60	100.77	104.35
Buildings	85.58	–	–	85.58	20.79	1.52	–	22.31	63.28	64.79
Plant and Machinery	526.11	58.97	–	585.08	211.26	20.93	–	232.19	352.90	314.85
Plant and Machinery - Wind Mills	26,925.16	–	–	26,925.16	3,405.92	1,421.65	–	4,827.57	22,097.59	23,519.24
Furniture and Fixtures	68.67	1.86	–	70.53	55.11	2.71	–	57.82	12.71	13.56
Vehicles	279.51	10.82	0.77	289.56	84.09	23.56	0.32	107.33	182.24	195.42
Office Equipment	368.99	29.03	0.74	397.28	271.13	29.37	0.51	299.99	97.28	97.86
Total	**28,924.62**	**100.68**	**1.51**	**29,023.79**	**4,051.32**	**1,503.32**	**0.83**	**5,553.81**	**23,470.00**	**24,873.30**
Previous Year	28,620.22	336.84	32.44	28,924.62	2,566.51	1,505.11	20.30	4,051.32	24,873.30	–

Notes on Financial Statements for the year ended March 31, 2012

NOTES

Note: 13. NON CURRENT INVESTMENTS *(₹ in Lakhs)*

Particulars	No. of Shares		Amount	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Other than Trade Investments				
Investment in Equity Instruments				
a) Unquoted (Fully paid up of ₹ 10 each) in Subsidiary Company				
Simran Wind Projects Pvt. Limited	16,07,75,400	15,14,00,400	35,401.55	31,651.55
			35,401.55	31,651.55
Unquoted (Fully paid up of ₹ 10 each) other than Subsidiary Company				
Tega India Limited	7	7	–	–
(₹ 70, Previous year ₹ 70)				
Techno Leasing & Finance Co. Pvt. Ltd.	10	10	–	–
(₹ 100, Previous year ₹ 100)				
Techno International Limited	1,70,060	1,70,060	17.01	17.01
North Dinajpur Power Limited	20,000	20,000	2.00	2.00
Rajgarh Bio Power Limited	20,000	20,000	2.00	2.00
Techno Ganga Nagar Green Power Generating Co. Limited	20,994	20,994	2.10	2.10
Techno Birbhum Green Power Generating Co. Limited	20,994	20,994	2.10	2.10
Jhajjar KT Transco Pvt. Limited	1,10,92,857	1,10,92,857	3,760.00	3,760.00
Jhajjar Power Transmission Pvt. Limited	–	4,899	–	0.49
Bargarh Green Power Generating Co. Limited	49,994	–	5.00	–
			3,790.21	3,785.70
b) Quoted (Fully paid up of ₹ 10 each) other than Subsidiary Company				
Spentex Industries Limited	30,954	30,954	18.52	18.52
GIC Housing Finance Limited	64,500	64,500	25.80	25.80
Ascu Arch Timber Protection Limited	50,617	50,617	10.12	10.12
			54.44	54.44
Total			**39,246.20**	**35,491.69**
Aggregate market value of quoted investments			67.86	79.83

In the opinion of the management, diminutions in the value of certain Investments of ₹ 17.93 Lakhs (Previous Year ₹ 14.96 Lakhs) are temporary in nature and hence no provision has been made for the same.

Notes on Financial Statements for the year ended March 31, 2012

NOTES

Note: 14. LONG TERM LOANS & ADVANCES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good		
Security Deposit	159.81	134.85
Total	**159.81**	**134.85**

Note: 15. DETAILS OF CURRENT INVESTMENTS

(₹ in Lakhs)

	Face Value		Amount	
Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Investments in Debentures or Bonds				
Unquoted (Fully paid up) other than Subsidiary Company				
9.75 % HPFC Bond 2012	10,00,000	17,50,000	10.25	18.13
Total			**10.25**	**18.13**

Note: 16. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Contract Work-in-progress	227.60	831.87
Total	**227.60**	**831.87**

Note: 17. RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade Receivables		
Unsecured, considered good		
Outstanding for a period upto six months	5,912.95	3,552.69
Outstanding for a period exceeding six months	1,667.54	1,043.12
	7,580.49	**4,595.81**
Retention Money Receivables		
Unsecured, considered good		
Outstanding for a period upto six months	3,225.27	3,634.89
Outstanding for a period exceeding six months	8,938.41	7,230.15
	12,163.68	**10,865.04**
Total	**19,744.17**	**15,460.85**

Notes on Financial Statements for the year ended March 31, 2012

NOTES

Note: 18. CASH AND BANK EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
a) Balances with banks		
Unpaid dividend accounts	17.38	15.26
Margin money	0.29	0.29
b) Bank Fixed Deposits		
Having maturity of more than twelve months	432.10	554.61
Others	432.48	275.98
c) Balance with bank on Current Account	510.22	973.61
d) Cash in hand	52.84	33.74
Total	**1,445.31**	**1,853.49**

a) Fixed deposit receipts of ₹ 798.45 Lakhs (Previous Year ₹ 740.79 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 of ₹ 0.65 Lakhs (Previous Year ₹ 29.65 Lakhs) are lodged with Sales tax authorities as Security/ Registration Deposits.

Note: 19. SHORT-TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good		
a) Loans and advances to Related Parties		
Subsidiary Company		
Share Application	–	4,900.00
Loan	870.00	3.50
Advance	–	0.21
	870.00	**4,903.71**
b) Loans and advances to Others		
Loans	791.31	2,368.60
Advances	8,107.72	7,860.20
Prepaid Expenses	456.80	608.15
Interest Receivables	61.93	31.22
Security Deposit	180.29	114.72
Advance Tax and Tax deducted at source (Net of Provision of ₹ 11,696.05 Lakhs)	17.02	–
	9,615.07	**10,982.89**
Total	**10,485.07**	**15,886.60**

Note: 20. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Income Receivable	78.37	62.04
Total	**78.37**	**62.04**

Notes on Financial Statements for the year ended March 31, 2012

NOTES

Note: 21. REVENUE FROM OPERATION

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Sales		
EPC (Construction)	70,404.60	64,882.09
Energy (Power)	2,815.51	3,228.72
(Units Generated : 830.92 Lakhs, Previous year 952.79 Lakhs)		
Total	**73,220.11**	**68,110.81**

Note: 22. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Income on Short term Investment	0.77	319.83
Other Interest Income	1,314.41	1,586.99
Dividend from Long term Investment	1.01	3.66
Net gain on sale of Current Investments	150.38	321.67
Profit on sale of Fixed Assets	–	1.85
Exchange Rate Difference	–	80.00
Miscellaneous Receipts *	463.37	532.52
Total	**1,929.94**	**2,846.52**

* Miscellaneous receipts include ₹ 399.34 Lakhs (Previous year ₹ 524.84 Lakhs) being the assignment value of Keymen Insurance Policy

Note: 23. MATERIALS AND STORES

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Materials and Stores	50,688.94	48,773.94
Total	**50,688.94**	**48,773.94**

Materials and Stores purchased during the year include Stores ₹ 2,567.28 Lakhs (Previous year ₹ 2,055.86 Lakhs). The consumption of such materials included in outlay and contract work-in-progress have been taken by the Auditors as certified.

Note: 24. (INCREASE) /DECREASE IN INVENTORIES

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Opening Contract Work-in-progress	831.87	696.56
Closing Contract Work-in-progress	227.60	831.87
(Increase) /Decrease in Inventories	**604.27**	**(135.31)**

Note: 25. EMPLOYEES BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Salary & Reimbursements	2,311.20	1,929.02
Contributions to Provident Fund and ESI	154.19	121.25
Staff Welfare	333.85	278.73
Total	**2,799.24**	**2,329.00**

Notes on Financial Statements for the year ended March 31, 2012

NOTES

Note: 26. FINANCE COST *(₹ in Lakhs)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Expense		
Debenture	172.14	308.59
Banks and Others	2,275.31	1,515.97
Total	**2,447.45**	**1,824.56**

Note: 27. OTHER EXPENSES *(₹ in Lakhs)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Travelling & Conveyance	869.39	708.88
Rent	280.79	226.53
Rates & Taxes	15.48	7.92
Insurance	151.08	185.76
Sales Tax (Net)	795.36	520.26
Service Tax (Net)	643.80	328.49
Power & Fuel	67.24	63.57
Repairs to Plant & Machinery	2.47	9.12
Remuneration to Managing Director	141.58	150.24
Directors' Fee	1.60	1.65
Auditors' Remuneration		
Audit Fees	1.97	1.93
Tax Audit	0.28	0.28
Other Services	2.01	2.06
Loss on Sale of Fixed Assets	0.25	4.85
Bank Charges	397.98	341.04
Exchange Rate Difference	598.64	–
Miscellaneous	1,544.88	1,506.49
Total	**5,511.80**	**4,059.07**
Details of Remuneration to Managing Director		
Salary	21.60	20.25
Contribution to Provident Fund	2.59	2.43
Commission	117.39	127.56
Total	**141.58**	**150.24**

Note: 28. EARNINGS PER SHARE *(₹ in Lakhs except No. of Shares)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Net Profit / (Loss) after tax (a)	9,265.18	10,089.04
Weighted average no. of equity shares of face value of ₹ 2.00 (b)	57,091,200	57,091,200
Basic earnings per share in ₹ (a) / (b)	16.23	17.67

Note: 29. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 56.00 Lakhs (Previous year ₹ Nil).

Note: 30. CONTINGENT LIABILITIES *(₹ in Lakhs)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Corporate Guarantee issued for Loans obtained by subsidiary company	2,181.82	5,090.84

NOTES

Note: 31. DISCLOSURES IN ACCORDANCE WITH REVISED AS-15 ON "EMPLOYEES BENEFITS": *(₹ in Lakhs)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a) Defined Contribution Plans:		
The company has recognised the following amount in the Statement of Profit & Loss for the year :		
Employees contribution to Provident & Other Funds	151.31	120.08
b) Defined Benefit Plans :-		
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	202.62	160.51
Service Cost	22.73	44.14
Interest Cost	15.73	12.50
Benefit Settled	(11.90)	(8.62)
Actuarial (gain)/loss	11.61	(5.92)
Present value of obligations at the end of the year	240.79	202.62
ii) Change in fair value of plan assets:		
Fair value of plan assets at beginning of the year	267.49	256.40
Expected return on plan assets	21.40	20.51
Actuarial (gain)/loss	(5.14)	(0.81)
Benefit Settled	(11.90)	(8.62)
Fair value of plan assets at the end of the year	271.85	267.49
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	271.85	267.49
Present value of the defined benefit obligations at the end of the year	240.79	202.62
*Assets/(Liability)	31.07	64.88
* The excess of assets over liability 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	22.73	44.14
Interest cost	15.73	12.50
Expected return on plan assets	(21.40)	(20.51)
Actuarial (gain)/loss	16.75	(5.11)
Net gratuity cost	33.81	31.01
v) Actuarial Assumptions:		
Discount rate	8.00%	8.00%
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	22.82%	24.58%
State Government Securities	4.56%	6.13%
PSU Bonds	27.51%	34.85%
Investment with Bank in Special Deposit Scheme	10.37%	10.46%
Administered by Birla Sun Life Insurance Company Limited	34.74%	23.98%
	100.00%	**100.00%**

NOTES

Note: 32. SEGMENT REPORTING

a) Based on the guiding principles given in Accounting Standards on "Segment Reporting" (AS-17) notified under the Companies (Accounting Standard) Rules, 2006 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: *(₹ in Lakhs)*

	For the year ended March 31, 2012				For the year ended March 31, 2011			
	EPC (Construction)	Energy (Power)	Corporate	Total	EPC (Construction)	Energy (Power)	Corporate	Total
A. REVENUE								
1. Sales	70,404.60	2,815.51	–	73,220.11	64,882.09	3,228.72	–	68,110.81
2. Others	–	–	1,929.94	1,929.94	–	–	2,846.52	2,846.52
3. Total Revenue	70,404.60	2,815.51	1,929.94	75,150.05	64,882.09	3,228.72	2,846.52	70,957.33
B. RESULT								
1. Segment result/ Operating profit before Tax and Interest	11,201.22	1,377.59	1,463.67	14,042.48	9,804.34	1,774.66	2,846.52	14,425.52
2. Interest Expenses	1,893.90	553.55	–	2,447.45	1,528.75	295.81	–	1,824.56
3. Provision for Taxation	–	–	2,329.85	2,329.85	–	–	2,511.92	2,511.92
4. Net Profit	9,307.32	824.04	(866.18)	9,265.18	8,275.58	1,478.85	334.61	10,089.04
C. OTHER INFORMATION								
1. Segment Assets	29,128.99	24,869.60	40,935.14	94,933.73	26,037.29	25,793.41	42,782.12	94,612.82
2. Segment Liabilities	23,257.11	3,051.33	68,625.29	94,933.73	23,382.63	8,235.68	62,994.51	94,612.82
3. Capital Expenditure	100.68	–	–	100.68	336.84	–	–	336.84
4. Depreciation	81.68	1,421.64	–	1,503.32	83.46	1,421.65	–	1,505.11

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

Note: 33. RELATED PARTY TRANSACTIONS

A) List of related parties and nature of relationships, where control exists :

S.No.	Name of the party	Nature of relationship
1	Simran Wind Projects Private Limited	Subsidiary Company
2	Shri Padam Prakash Gupta	Key Management Person
3	Shri Ankit Gupta	Relative of Key Management Person

B) Disclosure of significant transactions with related parties and the status of outstanding balances as on March 31, 2012:

Transactions during the year *(₹ in Lakhs)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Simran Wind Projects Private Limited (Subsidiary Company)		
Loan given	9,815.15	1,411.50
Loan recovered	8,948.65	1,408.00
Share Application money paid	–	22,900.00
Share Application money refunded	1,150.00	–
Share allotted by Subsidiary Company	3,750.00	18,000.00
Reimbursement claimed against expenses	5.50	600.95
Shri Padam Prakash Gupta (Key Management Person)		
Remuneration to Managing Director	141.58	150.24
Shri Ankit Gupta (Relative of Key Management Person)		
Remuneration paid	9.21	4.78

NOTES

C) Outstanding Balances

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Simran Wind Projects Private Limited (Subsidiary Company)		
Investment in Shares	35,401.55	31,651.55
Share Application Money	–	4,900.00
Loan	870.00	3.50
Advances	–	0.21
Shri Padam Prakash Gupta (Key Management Person)		
Remuneration payable to Managing Director	117.39	127.56

Note: 34. DETAILS OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Indigenous	39,838.76	40,733.07
Imported	12.79	185.20
Total	**39,851.55**	**40,918.27**

(in %)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Indigenous	99.97%	99.55%
Imported	0.03%	0.45%
Total	**100.00%**	**100.00%**

Note: 35. CIF VALUE OF IMPORTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Materials	12.79	147.82

Note: 36. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Travelling	65.37	25.51
Interest	194.30	29.73
Royalty	206.03	112.92
Others	0.39	7.82
	466.09	**175.98**

NOTES

Note: 37. EARNINGS IN FOREIGN EXCHANGE

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Export of Goods	–	42.04
Total	**–**	**42.04**

Note: 38. DEEMED EXPORT

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Deemed Export Under Global Tender at Ex- works value	5,097.52	5,377.74
Total	**5,097.52**	**5,377.74**

Note: 39. There is no other information apart from the information already disclosed above required to be disclosed pursuant to the relevant clauses of new Schedule VI as inserted to Companies Act, 1956 by the Notification No.S.O.447(E), Dated 28-2-2011 (As amended by Notification No.F.NO.2/6/2008-CL-V, Dated 30-3-2011).

Note: 40. Consequent to the notification of revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per revised Schedule VI. Accordingly, the previous year's figures have also been regrouped, rearranged and re-classified to conform to the current year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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

P. P. Gupta
Managing Director

Centre Point
21, Old Court House Street
Kolkata - 700 001
The 30th day of June, 2012

R. N. Bardhan
Partner
Membership No. 17270

N. Brahma
Company Secretary

K. M. Poddar
Director

Cash Flow Statement for the year ended March 31, 2012

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	**11,595.03**	**12,600.96**
Adjustments for :		
Depreciation	1,503.32	1,505.11
(Profit)/Loss on sale of fixed assets	0.25	3.00
Interest/Dividend Income	(1,316.19)	(1,910.48)
(Profit) /Loss on sale of Investments (Net)	(150.38)	(321.68)
Interest Paid	2,447.45	1,824.56
Foreign Exchange Loss/ (Gain) in respect of Borrowing	–	(80.00)
Operating Profit before Working Capital Changes	**14,079.47**	**13,621.47**
Adjustments for :		
Trade and other receivables	(4,486.15)	(2,752.05)
Inventories	604.27	(135.31)
Trade Payables	(2,071.83)	2,546.97
Cash generated from operations	**8,125.75**	**13,281.08**
Direct taxes paid (net of refunds)	(2,463.01)	(2,358.14)
Cash Flow before Extraordinary items	**5,662.74**	**10,922.94**
Extraordinary Items	–	80.00
Net Cash flow from Operating Activities	**5,662.74**	**11,002.94**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(167.63)	(336.84)
Sale of Fixed Assets	0.44	9.15
(Increase)/Decrease in Investments	153.75	1,458.93
Further Investment in Subsidiary Company	–	(18,000.00)
Share application Money paid to Subsidiary Company	–	(4,900.00)
Share application Money refunded by Subsidiary Company	1,150.00	–
Refund of Loan	710.79	5,327.84
Interest Income	1,284.48	1,875.60
Dividend Income	1.01	3.66
Net Cash Used in Investing Activities	**3,132.83**	**(14,561.66)**

Cash Flow Statement for the year ended March 31, 2012

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Debentures	(1,818.18)	(1,818.18)
Proceeds from Borrowings	(3,558.05)	9,018.67
Interest Paid	(2,502.59)	(1,720.86)
Dividend paid	(1,324.94)	(1,316.21)
Net Cash used in Financing activities	**(9,203.75)**	**4,163.42**
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(408.18)	604.70
Opening Balance of Cash & Cash Equivalents	1,853.49	1,248.79
Closing Balance of Cash & Cash Equivalents	**1,445.31**	**1,853.49**

Previous Year's figures have been re-grouped and re-arranged 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.

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

P. P. Gupta
Managing Director

Centre Point
21, Old Court House Street
Kolkata - 700 001
The 30th day of June, 2012

R. N. Bardhan
Partner
Membership No. 17270

N. Brahma
Company Secretary

K. M. Poddar
Director

Auditors Report on Consolidated Financial Statements

To

The Board of Directors of

Techno Electric & Engineering Company Limited

We have examined the attached Consolidated Balance Sheet of Techno Electric & Engineering Company Limited and its subsidiary as at March 31, 2012 the Statement of Profit & Loss for the year ending on that date, and 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 ₹ 98,864.89 Lakhs as at March 31, 2012 and total revenues of ₹ 9,082.51 Lakhs and total cash flows (outgo) of ₹ 324.19 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 financial statements, read together with the Notes thereon, 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, 2012;

b) In the case of the Statement of Consolidated Profit and Loss, 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 30th day of June, 2012

R. N. Bardhan
Partner
Membership No. 17270

Consolidated Balance Sheet as at March 31, 2012

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,141.82	1,141.82
Reserves and Surplus	3	65,822.27	55,073.46
Minority Interest		1,670.44	–
Non-current Liabilities			
Long-term Borrowings	4	41,636.08	5,212.12
Deferred Tax Liabilities (Net)	5	73.85	63.87
Other Long term Liabilities	6	10,594.94	14,554.66
Long-term Provisions	7	104.35	83.45
Current Liabilities			
Short-term Borrowings	8	15,461.79	15,686.50
Trade Payables	9	13,658.90	31,243.76
Other current Liabilities	10	6,866.07	8,390.90
Short-term Provisions	11	2,064.58	1,522.01
Total		**159,095.09**	**132,972.55**
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	1,13,419.84	59,775.89
Intangible Assets		1,571.51	1,571.51
Capital work-in-progress		66.95	24,808.56
Non-current Investments	13	3,844.65	3,840.14
Long-term Loans and Advances	14	1,090.16	11,476.02
Current Assets			
Current Investments	15	1,494.28	18.14
Inventories	16	227.60	831.87
Trade Receivables	17	25,034.64	16,833.45
Cash and Cash Equivalents	18	1,757.78	2,490.15
Short-term Loans and Advances	19	9,628.46	11,001.31
Other Current Assets	20	959.22	325.51
Total		**159,095.09**	**132,972.55**
Significant Accounting Policies	1		

The Notes 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

P. P. Gupta
Managing Director

Centre Point
21, Old Court House Street
Kolkata - 700 001
The 30th day of June, 2012

R. N. Bardhan
Partner
Membership No. 17270

N. Brahma
Company Secretary

K. M. Poddar
Director

Statement of Consolidated Profit and Loss for the year ended March 31, 2012

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
I. Revenue from Operations	21	81,986.32	71,661.03
II. Other Income	22	2,246.24	2,848.35
III. Total Revenue (I + II)		**84,232.56**	**74,509.38**
IV. Expenses:			
Materials and Stores	23	50,688.94	48,773.94
(Increase)/Decrease in Inventories	24	604.27	(135.31)
Employee Benefits Expense	25	2,826.35	2,332.60
Finance Costs	26	4,114.78	2,494.79
Depreciation and Amortization Expense	12	5,605.12	3,076.36
Other Expenses	27	5,903.42	4,166.15
Total Expenses		**69,742.88**	**60,708.53**
V. Profit Before Tax (III – IV)		**14,489.68**	**13,800.85**
VI. Tax Expense:			
Current Tax		2,899.04	2,750.71
MAT credit entitlement		(579.18)	(228.64)
In respect of earlier years		–	3.44
Deferred Tax		9.98	(2.91)
		2,329.84	**2,522.60**
VII. Profit for the period (V – VI)		**12,159.84**	**11,278.25**
VIII. Less: Share of Profit transferred to Minority Interest		70.69	–
IX. Profit for the year after adjustment for minority interest (VII – VIII)		**12,089.15**	**11,278.25**
Earnings per Equity Share:			
Basic and Diluted	28	21.18	19.75
Significant Accounting Policies	1		

The Notes referred to above form an integral part of the Statement of Profit and Loss.

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

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

P. P. Gupta
Managing Director

Centre Point
21, Old Court House Street
Kolkata - 700 001
The 30th day of June, 2012

R. N. Bardhan
Partner
Membership No. 17270

N. Brahma
Company Secretary

K. M. Poddar
Director

NOTES

Note: 1. SIGNIFICANT ACCOUNTING POLICIES

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:

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'.

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 separate Financial Statements except as otherwise stated in Notes to the Accounts.

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 recognized in the Financial Statements as Goodwill.

Minority Interest's share of net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and equity of the Company's shareholders.

B Other Accounting Policies

a) 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.

b) 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.

c) 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 respective State Utilities .

Income from sale of REC is accounted on accrual basis at the rate sold at the Power Exchanges. At the period end Income from sale of REC is recognised at the minimum floor price specified by CERC.

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.

d) 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.

NOTES

e) **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.

f) **Fixed Assets:**

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.

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

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.

Leasehold Land is amortised over the period of lease and the amortisation amount included under Depreciation.

g) **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.

h) **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.

i) **Inventories:**

Contract work-in-progress is stated at cost or market value which ever is lower. However, materials purchased are charged to Statement of Profit and Loss as and when purchased. Process Stock is valued at cost or net realisable value, whichever is lower.

j) **Foreign Currency Transactions:**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Exchange differences, arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss.

In respect of long term foreign currency monetary items, the Company has availed the option to adjust the cost of the asset towards the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded, in so far as they relate to depreciable capital asset and depreciating the same over the balance life of asset.

k) **Employee Benefits:**

Contributions to defined contribution scheme in the form of provident and other funds are charged to the Statement of Profit and Loss. In respect of certain employees, provident fund contributions are made to a 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.

l) 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% tax holiday for a period of 10 consecutive years out of 15 years, from the year in which the generation of power is started. 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.

m) 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.

n) 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.

o) 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.

NOTES

Note: 2. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Authorised Share Capital		
55020000 Preference Shares of ₹ 10 each	5,502.00	5,502.00
424900000 Equity Shares of ₹ 2 each	8,498.00	8,498.00
Total	**14,000.00**	**14,000.00**
Issued, Subscribed & Paid up		
57091200 Equity Shares of ₹ 2 each fully paid up	1,141.82	1,141.82
Total	**1,141.82**	**1,141.82**

Note: 2a. The reconciliation of the number of shares outstanding is set out below:

	Equity Shares	
	As at March 31, 2012	As at March 31, 2011
Particulars	Nos.	Nos.
Shares at the beginning of the year	57,091,200	57,091,200
Shares issued during the year	–	–
Shares at the end of the year	**57,091,200**	**57,091,200**

Note: 2b. List of shareholders in excess of 5% is set out below:

(₹ in Lakhs)

	Equity Shares			
	As at March 31, 2012		As at March 31, 2011	
Name of Shareholder	Nos.	% of holding	Nos.	% of holding
Varanasi Commercial Ltd.	1,21,94,900	21.36	1,21,94,900	21.36
Kusum Industrial Gases Ltd.	70,83,000	12.41	70,83,000	12.41
Techno Leasing & Finance Co. Pvt. Ltd.	68,94,000	12.08	68,94,000	12.08
Noble Communication Pvt. Ltd.	50,77,321	8.89	50,87,321	8.91
J. P. Financial Services Pvt. Ltd.	49,59,531	8.69	49,59,531	8.69
Aarkay Investments Pvt. Ltd.	43,35,215	7.59	43,35,215	7.59
Techno Power Projects Ltd.	32,04,000	5.61	32,04,000	5.61

Note: 2c. Details of shares allotted otherwise than cash during the previous 5 years is set out below:

Particulars	Aggregate No. of Shares
Equity Shares	
Fully paid up pursuant to contract(s) without payment being received in cash	57,091,200
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

* The shares were allotted without any consideration pursuant to Scheme of Amalgamation.

Note: 2d. Rights, Preferences and Restrictions attached to the Shares:

The equity shares of the Company of nominal value of ₹ 2 per share rank pari passu in all respects including voting rights and entitlement to dividend.

NOTES

Note: 3. RESERVES & SURPLUS *(₹ in Lakhs)*

Particulars	As at March 31, 2012		As at March 31, 2011	
Capital Reserves				
As per last Balance Sheet	1,572.66		1,572.66	
Add : Additions during the year	650.25	2,222.91	–	1,572.66
Securities Premium Account				
As per last Balance Sheet		18,758.19		18,758.19
Debenture Redemption Reserve				
As per last Balance Sheet	1,820.00		1,820.00	
Less : Transfer to General Reserve	456.36	1,363.64	–	1,820.00
General Reserves				
As per last Balance Sheet	31,597.02		22,834.02	
Add : Transfer from surplus in Statement of Profit & Loss	11,200.00		8,763.00	
Add : Transfer from Debenture Redemption Reserve	456.36	43,253.38	–	31,597.02
Surplus				
As per last Balance Sheet	1,325.59		137.39	
Add : Net Profit for the current year	12,089.15		11,278.25	
Less : Proposed Dividend	1,712.74		1,141.82	
Less : Tax on Dividend	277.85		185.23	
Less : Transfer to General Reserve	11,200.00	224.15	8,763.00	1,325.59
Total		**65,822.27**		**55,073.46**

NOTES

Note: 4. LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured		
Debentures		
1,300, 7.5% (Previous year: 1,300) Non-Convertible Debentures of ₹ 2,72,728 each (Previous Year: ₹ 6,36,364 each)	–	3,545.45
(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 Limited, a subsidiary company in respect of 50.45 MW project situated at Melamaruthappapuram Vill, Veerakeralamputhur Taluk, Tirunelveli District, Tamil Nadu, and a non-disposal undertaking executed in favour of the trustees)		
(The debentures are redeemable in 11 equal installments and last installment due on November 20, 2012)		
Term Loans		
In Indian Rupee		
From DBS Bank	–	1,000.00
From Indusind Bank	–	666.67
(The above loans are secured by way of first charge on the fixed assets and current assets of the Energy (Power) Division of the company ranking pari-passu.)		
External Commercial Borrowings		
In Indian Rupee		
From International Finance Corporation	13,500.00	–
In Foreign Currency		
From DBS Bank	12,789.13	–
From Standard Chartered Bank	15,346.95	–
(The above referred External Commercial Borrowings are secured by first ranking pari passu charge / mortgage inter-se all lenders and hedge counter parties on the assets of the Company in relation to the construction and operation of 111.9 MW of wind assets, located in the State of Tamil Nadu, India and spread across three locations in Mutthianpatti, Amudhapuram and Rasta.)		
Total	**41,636.08**	**5,212.12**

Note: 5. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As on April 1, 2011	Charge/(Reversal) during the year	As at March 31, 2012
Deferred Tax Liabilities			
In respect of Fixed Assets	63.87	9.98	73.85
Net Deferred Tax Liabilities/ (Assets)	**63.87**	**9.98**	**73.85**

Note: 6. OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Advance received from customers	10,594.94	14,554.66
Total	**10,594.94**	**14,554.66**

NOTES

Note: 7. LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits		
Leave Encashment (unfunded)	104.35	83.45
Total	**104.35**	**83.45**

Note: 8. SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured		
Working Capital Loans from Banks		
Foreign Currency Loans	6,965.65	3,186.50
Rupee Loans		
Term Loan	1,000.00	–
Bank Overdraft	2,996.14	–
(Above Loans are secured against hypothecation of Components, Raw-Materials, Work-in-Progress, Plant & Machinery, Book Debts of EPC Division of the Company ranking pari-passu. Rupee loans are additionally secured by personal guarantee of the Managing Director of the Company.)		
	10,961.79	**3,186.50**
Unsecured		
From Banks	2,000.00	2,500.00
Commercial Paper	2,500.00	7,500.00
From other parties	–	2,500.00
	4,500.00	**12,500.00**
Total	**15,461.79**	**15,686.50**

Note: 9. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade Payables	13,658.90	31,243.76
Total	**13,658.90**	**31,243.76**

Note : To the extent identified from available information, there is no amount due to micro, small and medium size enterprises as on March 31, 2012.

Note: 10. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Current maturities of long-term debt	5,212.12	8,060.61
Interest accrued but not due on borrowings	1,051.77	144.50
Unpaid Dividend	17.38	15.26
Statutory Liabilities	584.80	170.53
Total	**6,866.07**	**8,390.90**

Notes on Consolidated Financial Statements for the year ended March 31, 2012

NOTES

Note: 11. SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits		
Salary, Bonus and Reimbursements	72.80	62.16
Provision for Dividend	1,712.74	1,141.82
Tax on Dividend	277.85	185.23
Provision for Income Tax (Net of advance tax and Tax deducted at source ₹ Nil, Previous Year ₹ 9,483.80 Lakhs)	–	131.57
Provision for Fringe Benefit Tax (Net of advance tax ₹ 40.63 Lakhs)	0.37	0.37
Provision for Wealth Tax	0.82	0.86
Total	**2,064.58**	**1,522.01**

Note: 12. FIXED ASSETS

(₹ in Lakhs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	Balance as at April 1, 2011	Additions during the year	Deductions/ Adjustments during the year	Balance as at March 31, 2012	Balance as at April 1, 2011	For the year	On disposals	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at April 1, 2011
(i) Tangible Assets										
Freehold Land	1,208.33	2,101.83	–	3,310.16	–	–	–	–	3,310.16	1,208.33
Leasehold Land	107.37	–	–	107.37	3.02	3.58	–	6.60	100.77	104.35
Buildings	85.58	–	–	85.58	20.79	1.52	–	22.31	63.27	64.79
Plant and Machinery	526.11	58.97	–	585.08	211.26	20.93	–	232.19	352.89	314.85
Plant & Machinery - Wind Mills	65,449.07	57,047.24	–	1,22,496.31	7,673.68	5,523.12	–	13,196.80	1,09,299.51	57,775.39
Furniture and Fixtures	68.67	1.86	–	70.53	55.11	2.71	–	57.82	12.71	13.56
Vehicles	280.32	10.82	0.77	290.37	84.36	23.64	0.32	107.68	182.69	195.96
Office equipment	370.62	29.03	0.74	398.91	271.96	29.62	0.51	301.07	97.84	98.66
Total (i)	**68,096.07**	**59,249.75**	**1.51**	**1,27,344,31**	**8,320.18**	**5,605.12**	**0.83**	**13,924.47**	**1,13,419.84**	**59,775.89**
(ii) Intangible Assets										
Goodwill	1,571.51	–	–	1,571.51	–	–	–	–	1,571.51	1,571.51
Total (ii)	**1,571.51**	**–**	**–**	**1,571.51**	**–**	**–**	**–**	**–**	**1,571.51**	**1,571.51**
Total (i + ii)	**69,667.58**	**59,249.75**	**1.51**	**1,28,915.82**	**8,320.18**	**5,605.12**	**0.83**	**13,924.47**	**1,14,991.35**	**61,347.40**
Previous Year	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	

Notes on Consolidated Financial Statements for the year ended March 31, 2012

NOTES

Note: 13. NON CURRENT INVESTMENTS *(₹ in Lakhs)*

Particulars	No. of Shares As at March 31, 2012	No. of Shares As at March 31, 2011	Amount As at March 31, 2012	Amount As at March 31, 2011
Other than Trade Investments				
Investment in Equity Instruments				
a) Unquoted (Fully paid up of ₹ 10 each) other than Subsidiary Company				
Tega India Limited	7	7	–	–
(₹ 70, Previous year ₹ 70)				
Techno Leasing & Finance Co. Pvt. Ltd.	10	10	–	–
(₹ 100, Previous year ₹ 100)				
Techno International Limited	1,70,060	1,70,060	17.01	17.01
North Dinajpur Power Limited	20,000	20,000	2.00	2.00
Rajgarh Bio Power Limited	20,000	20,000	2.00	2.00
Techno Ganga Nagar Green Power Generating Co. Limited	20,994	20,994	2.10	2.10
Techno Birbhum Green Power Generating Co. Limited	20,994	20,994	2.10	2.10
Jhajjar KT Transco Pvt. Limited	1,10,92,857	1,10,92,857	3,760.00	3,760.00
Jhajjar Power Transmission Pvt. Limited	4,899	–	0.49	–
Bargarh Green Power Generating Co. Limited	49,994	–	5.00	–
			3,790.21	**3,785.70**
b) Quoted (Fully paid up of ₹ 10 each) other than Subsidiary Company				
Spentex Industries Limited	30,954	30,954	18.52	18.52
GIC Housing Finance Limited	64,500	64,500	25.80	25.80
Ascu Arch Timber Protection Limited	50,617	50,617	10.12	10.12
			54.44	**54.44**
Total			**3,844.65**	**3,840.14**
Aggregate market value of quoted investments			67.86	79.83

In the opinion of the management, diminutions in the value of certain Investments of ₹ 17.93 Lakhs (Previous Year ₹ 14.96 Lakhs) are temporary in nature and hence no provision has been made for the same.

Note: 14. LONG TERM LOANS & ADVANCES *(₹ in Lakhs)*

Particulars	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good		
Capital Advance	–	10,990.00
Security Deposit	159.81	134.85
MAT Credit Entitlement	930.35	351.17
Total	**1,090.16**	**11,476.02**

NOTES

Note: 15. DETAILS OF CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	Face Value		Amount	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Investments in Debentures or Bonds				
Unquoted (Fully paid up) other than Subsidiary Company				
9.75 % HPFC Bond 2012	10,00,000	17,50,000	10.25	18.14
Investments in Mutual Funds				
Unquoted (Fully paid up) : at Cost				
Reliance Liquid Fund (F.V. ₹ 10/-)	8,20,148.726	–	207.45	–
Birla Sunlife Cash Plus (F.V. ₹ 100/-)	93,673.942	–	264.92	–
BSL Floating Rate Fund (F.V. ₹ 100/-)	7,12,723.942	–	1,011.65	–
Total			**1,494.28**	**18.14**

Note: 16. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Contract Work-in-progress	227.60	831.87
Total	**227.60**	**831.87**

Note: 17. RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade Receivables		
Unsecured, considered good		
Outstanding for a period upto six months	8,330.10	4,672.10
Outstanding for a period exceeding six months	4,540.86	1,296.31
	12,870.96	5,968.41
Retention Money Receivables		
Unsecured, considered good		
Outstanding for a period upto six months	3,225.27	3,634.89
Outstanding for a period exceeding six months	8,938.41	7,230.15
	12,163.68	**10,865.04**
Total	**25,034.64**	**16,833.45**

NOTES

Note: 18. CASH AND BANK EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Balances with banks		
Unpaid dividend accounts	17.38	15.26
Margin money	0.29	0.29
Bank Fixed deposits		
Having maturity of more than twelve months	432.10	554.61
Others	562.48	275.98
Balance with bank on Current Account	692.60	1,610.23
Cash in hand	52.93	33.78
Total	**1,757.78**	**2,490.15**

a) Fixed deposit receipts of ₹ 798.45 Lakhs (Previous Year ₹ 740.79 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 of ₹ 0.65 Lakhs (Previous Year ₹ 29.65 Lakhs) are lodged with Sales tax authorities as Security/Registration Deposits.

Note: 19. SHORT-TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Loans and advances to Related Parties		
Unsecured, considered good		
Loans	791.31	2,368.60
Advances	8,113.43	7,869.13
Prepaid Expenses	467.93	617.62
Interest Receivables	61.93	31.22
Security Deposit	180.31	114.74
Advance Income Tax and Tax deducted at source (Net of Provision of ₹ 12,276.10 Lakhs)	13.55	–
Total	**9,628.46**	**11,001.31**

Note: 20. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Income Receivable	959.22	325.51
Total	**959.22**	**325.51**

Note: 21. REVENUE FROM OPERATION

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Sales		
EPC (Construction)	70,404.60	64,882.09
Energy (Power)	10,967.62	6,594.70
(Units Generated : 2,912.79 Lakhs , Previous year 2,025.33 Lakhs)		
	81,372.22	71,476.79
Other Operating Income		
Generation Based Incentive	614.10	184.24
Total	**81,986.32**	**71,661.03**

NOTES

Note: 22. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Income on Short term Investment	0.77	319.83
Other Interest Income	1,371.57	1,586.99
Dividend from Long term Investment	1.01	3.66
Net gain on sale of Current investments	173.23	323.39
Profit on sale of Fixed Assets	–	1.85
Exchange Rate Difference	–	80.00
Miscellaneous Receipts *	699.66	532.63
Total	**2,246.24**	**2,848.35**

* Miscellaneous receipts include ₹ 399.34 Lakhs (Previous year ₹ 524.84 Lakhs) being the assignment value of Keymen Insurance Policy

Note: 23. MATERIALS AND STORES

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Materials and Stores	50,688.94	48,773.94
Total	**50,688.94**	**48,773.94**

Materials and Stores purchased during the year include Stores ₹ 2,567.28 Lakhs (Previous Year ₹ 2,055.86 Lakhs). The consumption of such materials included in outlay and contract work-in-progress have been taken by the Auditors as certified.

Note: 24. (INCREASE) /DECREASE IN INVENTORIES

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Opening Contract Work-in-progress	831.87	696.56
Closing Contract Work-in-progress	227.60	831.87
(Increase) /Decrease in Inventories	**604.27**	**(135.31)**

Note: 25. EMPLOYEES BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Salary & Reimbursements	2,338.31	1,932.62
Contributions to Provident Fund & ESI	154.19	121.25
Staff Welfare	333.85	278.73
Total	**2,826.35**	**2,332.60**

Note: 26. FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Expense		
Debenture	448.00	802.34
Banks and Others	3,666.78	1,692.45
Total	**4,114.78**	**2,494.79**

NOTES

Note: 27. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Travelling & Conveyance	878.50	710.49
Rent	280.95	226.55
Rates & Taxes	15.56	7.95
Insurance	182.78	198.20
Sales Tax (Net)	795.36	520.26
Service Tax (Net)	643.80	328.49
Power & Fuel	67.24	63.57
Repairs to Plant & Machinery	2.47	9.12
Remuneration to Managing Director	141.58	150.24
Directors' Fee	1.60	1.65
Auditors' Remuneration	–	–
Audit Fees	2.64	2.43
Tax Audit	0.45	0.44
Other Services	2.12	2.07
Loss on Sale of Fixed Assets	0.25	4.85
Bank Charges	398.93	342.52
Exchange Rate Difference	598.64	–
Miscellaneous expenses	1,890.55	1,597.32
Total	**5,903.42**	**4,166.15**
Details of Remuneration to Managing Director		
Salary	21.60	20.25
Contribution to Provident Fund	2.59	2.43
Commission	117.39	127.56
Total	**141.58**	**150.24**

Note: 28. EARNINGS PER SHARE

(₹ in Lakhs except No. of Shares)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Net Profit / (Loss) after tax (a)	12,089.15	11,278.25
Weighted average no. of equity shares of face value of ₹ 2.00 (b)	57,091,200	57,091,200
Basic Earnings per share in ₹ (a) / (b)	21.18	19.75

Note: 29. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 56.00 Lakhs (Previous Year ₹ 14,475.96 Lakhs).

NOTES

Note: 30. **DISCLOSURES IN ACCORDANCE WITH REVISED AS-15 ON "EMPLOYEES BENEFITS":** *(₹ in Lakhs)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a) Defined Contribution Plans:		
The company has recognised the following amount in the Statement of Profit & Loss for the year :		
Employees contribution to Provident & Other Funds	151.31	120.08
b) Defined Benefit Plans :-		
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	202.62	160.51
Service Cost	22.73	44.14
Interest Cost	15.73	12.50
Benefit Settled	(11.90)	(8.62)
Actuarial (gain)/loss	11.61	(5.92)
Present value of obligations at the end of the year	240.79	202.62
ii) Change in fair value of plan assets:		
Fair value of plan assets at beginning of the year	267.49	256.40
Expected return on plan assets	21.40	20.51
Actuarial (gain)/loss	(5.14)	(0.81)
Benefit Settled	(11.90)	(8.62)
Fair Value of Plan assets at the end of the year	271.85	267.49
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	271.85	267.49
Present value of the defined benefit obligations at the end of the year	240.79	202.62
*Assets/(Liability)	31.07	64.88
* The excess of assets over liability 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	22.73	44.14
Interest cost	15.73	12.50
Expected return on plan assets	(21.40)	(20.51)
Actuarial (gain)/loss	16.75	(5.11)
Net gratuity cost	33.81	31.01
v) Actuarial Assumptions:		
Discount Rate	8.00%	8.00%
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	22.82%	24.58%
State Government Securities	4.56%	6.13%
PSU Bonds	27.51%	34.85%
Investment with Bank in Special Deposit Scheme	10.37%	10.46%
Administered by Birla Sun Life Insurance Company Limited	34.74%	23.98%
	100.00%	**100.00%**

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

Notes on Consolidated Financial Statements for the year ended March 31, 2012

NOTES

Note: 31. SEGMENT REPORTING

a) Based on the guiding principles given in Accounting Standards on "Segment Reporting" (AS-17) notified under the Companies (Accounting Standard) Rules, 2006 the Company's primary business segments are EPC (Construction) and Energy (Power). Financial information about the primary business segments are presented in the table given below: *(₹ in Lakhs)*

	For the year ended March 31, 2012				For the year ended March 31, 2011			
	EPC (Construction)	Energy (Power)	Corporate	Total	EPC (Construction)	Energy (Power)	Corporate	Total
A. REVENUE								
1. Sales	70,404.60	11,581.72	–	81,986.32	64,882.09	6,778.94	–	71,661.03
2. Others	–	–	2,246.24	2,246.24	–	–	2,848.35	2,848.35
3. Total Revenue	70,404.60	11,581.72	2,246.24	84,232.56	64,882.09	6,778.94	2,848.35	74,509.38
B. RESULT								
1. Segment result/ Operating Profit before Tax and Interest	11,201.22	5,623.27	1,779.97	18,604.46	9,804.34	3,466.47	2,848.35	16,119.16
2. Interest Expenses	1,893.90	2,220.88	–	4,114.78	1,528.76	789.55	–	2,318.31
3. Provision for Taxation	–	–	2,909.02	2,909.02	–	–	2,751.24	2,751.24
4. MAT Credit Entitlement	–	–	(579.18)	(579.18)	–	–	(228.64)	(228.64)
5. Net Profit (before adjustment for minority Interest	9,307.32	3,402.39	(549.87)	12,159.84	8,275.58	2,676.92	325.75	11,278.25
6. Share of Profit transferred to Minority	–	–	70.69	70.69	–	–	–	–
7. Profit after tax (after adjustment for minority interest	9,307.32	3,402.39	(620.56)	12,089.15	8,275.58	2,676.92	325.75	11,278.25
C. OTHER INFORMATION								
1. Segment Assets	29,128.99	1,22,804.14	7,161.96	1,59,095.09	26,037.29	98,785.72	8,149.54	1,32,972.55
2. Segment Liabilities	23,257.11	65,092.95	70,745.03	1,59,095.09	23,382.63	51,835.66	57,754.26	1,32,972.55
3. Capital Expenditure	100.68	59,149.07	–	59,249.75	336.85	44,594.22	–	44,931.07
4. Depreciation	81.68	5,523.44	–	5,605.12	83.46	2,992.90	–	3,076.36

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

Note: 32. RELATED PARTY TRANSACTIONS

A) List of related parties and nature of relationships, where control exists :

S.No.	Name of the party	Nature of relationship
1	Shri Padam Prakash Gupta	Key Management Person
2	Shri Ankit Gupta	Relative of Key Management Person

B) Disclosure of significant transactions with related parties and the status of outstanding balances as on March 31, 2012:

Transactions during the year *(₹ in Lakhs)*

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Shri Padam Prakash Gupta (Key Management Person)		
Remuneration to Managing Director	141.58	150.24
Shri Ankit Gupta (Relative of Key Management Person)		
Remuneration Paid	9.21	4.78

NOTES

C) Outstanding Balances

(₹ in Lakhs)

Particulars	As at March 31, 2012	As at March 31, 2011
Shri Padam Prakash Gupta (Key Management Person)		
Remuneration payable to Managing Director	117.39	127.56

Note: 33. DETAILS OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Indigenous	39,838.76	40,733.07
Imported	12.79	185.20
Total	**39,851.55**	**40,918.27**

(in %)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Indigenous	99.97%	99.55%
Imported	0.03%	0.45%
Total	**100.00%**	**100.00%**

Note: 34. CIF VALUE OF IMPORTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Materials	12.79	147.82

Note: 35. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Travelling	65.37	25.51
Interest	419.80	29.72
Royalty	206.03	112.92
Professional & Advisory Fees	114.96	–
Others	0.39	11.70
	806.55	**179.85**

Note: 36. EARNINGS IN FOREIGN EXCHANGE

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Export of Goods	–	42.04
Total	**–**	**42.04**

NOTES

Note: 37. DEEMED EXPORT

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Deemed Export Under Global Tender at Ex- works value	5,097.52	5,377.74
Total	**5,097.52**	**5,377.74**

Note: 39. 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 Statement of Consolidated Profit and Loss stands higher by ₹ 0.12 Lakhs (Previous Year ₹ 0.04 Lakhs), the Reserves as per Consolidated Balance Sheet stands higher by ₹ 0.32 Lakhs (Previous Year ₹ 0.45 Lakhs) and the Net Block as on March 31, 2012 as per consolidated Balance Sheet stands higher by ₹ 0.32 Lakhs (Previous year ₹ 0.45 Lakhs)

Note: 40. Consequent to the notification of revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31 ,2012 are prepared as per revised Schedule VI. Accordingly, the previous year's figures have also been regrouped, rearranged and re-classified to conform to the current year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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

P. P. Gupta
Managing Director

Centre Point
21, Old Court House Street
Kolkata - 700 001
The 30th day of June, 2012

R. N. Bardhan
Partner
Membership No. 17270

N. Brahma
Company Secretary

K. M. Poddar
Director

Consolidated Cash Flow Statement for the year ended March 31, 2012

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	**14,489.68**	**13,800.85**
Adjustments for :		
Depreciation	5,605.12	3,076.36
(Profit)/Loss on sale of fixed assets	0.25	3.00
Interest/Dividend Income	(1,373.35)	(1,910.48)
(Profit) /Loss on sale of Investments (Net)	(173.23)	(323.39)
Interest Paid	4,114.78	2,494.79
Debenture Issue expenses	–	0.50
Foreign Exchange Loss/ (Gain) in respect of Borrowing	–	(80.00)
Operating Profit before Working Capital Changes	**22,663.25**	**17,061.63**
Adjustments for :		
Trade and other receivables	(8,153.13)	(3,017.97)
Inventories	604.27	(135.31)
Trade Payables	(2,043.22)	2,549.07
Cash generated from operations	**13,071.17**	**16,457.42**
Direct taxes paid (net of refunds)	(3,044.20)	(2,593.03)
Cash Flow before Extraordinary items	**10,026.96**	**13,864.39**
Extraordinary Items	–	80.00
Net Cash flow from Operating Activities	**10,026.96**	**13,944.39**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(40,344.18)	(22,159.23)
Sale of Fixed Assets	0.44	9.15
(Increase)/Decrease in Investments	(1,307.43)	1,460.65
Refund of Loan	710.79	5,331.34
Interest Income	1,341.64	1,875.60
Dividend Income	1.01	3.66
Net Cash Used in Investing Activities	**(39,597.74)**	**(13,478.83)**

Consolidated Cash Flow Statement for the year ended March 31, 2012

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares by Subsidiary Company	2,250.00	–
Redemption of Debentures	(4,727.27)	(4,727.27)
Proceeds from Borrowings	35,848.12	9,018.67
Interest Paid	(3,207.51)	(2,236.26)
Dividend paid	(1,324.94)	(1,316.21)
Loan Processing Fees	–	(176.48)
Debenture Issue expenses	–	(0.50)
Net Cash used in Financing Activities	**28,838.41**	**561.95**
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(732.37)	1,027.51
Opening Balance of Cash & Cash Equivalents	2,490.15	1,462.64
Closing Balance of Cash & Cash Equivalents	**1,757.78**	**2,490.15**

Previous Year's figures have been re-grouped and re-arranged 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

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

P. P. Gupta
Managing Director

Centre Point
21, Old Court House Street
Kolkata - 700 001
The 30th day of June, 2012

R. N. Bardhan
Partner
Membership No. 17270

N. Brahma
Company Secretary

K. M. Poddar
Director

TECHNO ELECTRIC & ENGINEERING COMPANY LTD.

NOTICE

of 7th Annual General Meeting

NOTICE is hereby given that the **7th Annual General Meeting** of the Members of Techno Electric & Engineering Company Ltd. will be held at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata 700 020 on Saturday, August 11, 2012 at 10.00 a.m. to transact the following business : –

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012, the Statement of Profit & Loss for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. V. D. Mohile, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors and fix their remuneration and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution in this regard:

   "RESOLVED THAT M/s S. S. Kothari & Co. Chartered Accountants, (Registration No. 302034E) the retiring Auditors of the Company be and are hereby reappointed as Auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors in consultation with them".

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members together with the Index of Members, the copies of Annual Returns, the copies of certificates and documents required to be annexed with the Annual Return under the Companies Act, 1956 and/or any of the other related documents as required to be kept at the Registered office of the Company, at the corporate office of the Company at 2F & 3F Park Plaza, 71, Park Street, Kolkata – 700 016, from such date as may be determined by the Board."

   "RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

Regd. Office : By order of the Board of Directors
P–46A, Radha Bazar Lane
Kolkata – 700 001 **(N. Brahma)**
Dated: June 30, 2012 *Company Secretary*

NOTES :

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote (on a poll) instead of himself/herself and the proxy need not be a member. Proxy in order to be effective should be duly stamped, completed, signed and deposited at the registered office of the company not less than 48 hours before the time for holding the meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, July 25, 2012 to Tuesday, July 31, 2012 (both days inclusive) for determining the shareholders entitled to receive dividend on equity shares, if declared at the meeting. The dividend will be paid to those members whose names shall appear on Company's Register of Members on July 24, 2012 and in respect of shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. as beneficial owners as on that date. The Company shall provide the facility of remittance of dividend through National Electronic Clearing System (NECS) at various locations identified by Reserve Bank of India (RBI) from time to time for the members holding shares in electronic form and to the Members holding shares in physical form and opted for the said facility.

5. Dividends which have remained unpaid/unclaimed over a period of seven years will have to be transferred by the Company to Investor Education and Protection Fund of the Central Government under Sections 205A & 205C of the Companies Act, 1956. Accordingly, all unpaid/unclaimed amounts in respect of dividends upto the financial year ended March 31, 2004 have been transferred to the said Fund. Shareholders are advised to claim the unpaid dividend for the financial year ended March 31, 2005 onwards, before transfer to the above referred Fund and no claim will be entertained thereafter by the Company. The unpaid/unclaimed dividend for the financial year ended March 31, 2005 can be claimed upto September 30, 2012.

6. Members holding shares in physical form are requested to intimate change in their registered address mentioning full address in block letters with pin code of the post office and bank particulars to the Company's Registrar and Share Transfer Agent and in case of members holding their shares in electronic form, this information should be given to their Depository Participants immediately.

7. Members are requested to bring their copy of Annual Report to the meeting. A member desirous of getting any information on the accounts of the Company is requested to send the queries to the Company at least 10 days in advance of the meeting.

8. Pursuant to the 'Green Initiative in Corporate Governance' taken by Ministry of Corporate Affairs (MCA) allowing paperless compliances by Companies through electronic mode vide its circular No.17/2011 dated April 21, 2011 and circular No.18/2011 dated April 29, 2011, various notices and documents, including Annual Report of the Company, be sent to its shareholders through electronic mode to their registered e-mail addresses. All these above mentioned documents will also be available on the Company's website www.techno.co.in for download by the shareholders and the physical copies of the Annual Report will also be available at the Registered Office of the Company for inspection during office hours. We hope, the shareholders will support this initiative and co-operate with the Company.

   We, request shareholders to update their email address with their depository participant to ensure that the annual reports and other documents reaches them on their preferred email address. Shareholders holding shares in physical form may intimate us their e-mail address along with name, address and folio no. for registration at **desk.investors@techno.co.in.**

9. Members, who hold shares in dematerialised form, are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.

10. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company/Depository Participants for admission to the meeting hall.

Regd. Office : By order of the Board of Directors
P–46A, Radha Bazar Lane
Kolkata – 700 001 **(N. Brahma)**
Dated: June 30, 2012 *Company Secretary*

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

Item No. 5

At present, the statutory records of the Company viz. Register of Members together with the Index of Members, copies of Annual Returns, copies of certificates and documents required to be annexed with the Annual Return under the Companies Act, 1956 and/or any of the other related documents are being kept and maintained at the Registered office at P-46A, Radha Bazar Lane, Kolkata – 700001. Now, the Company wants to keep and maintain the statutory records as mentioned above, at the Corporate office situated at 2F & 3F, Park Plaza, 71, Park Street, Kolkata – 700 016 for administrative convenience. Section 163 of the Companies Act, 1956 provides that for keeping the above referred records of the Company at a place other than the registered office, approval of members by way of special resolution is required. Further, a copy of the proposed Special Resolution will be sent in advance to the Registrar of Companies, West Bengal.

Accordingly, the Board of directors recommends the resolution for your approval.

None of the Directors of your Company is interested or concerned in the proposed resolution.

Regd. Office : By order of the Board of Directors
P–46A, Radha Bazar Lane
Kolkata – 700 001 **(N. Brahma)**
Dated: June 30, 2012 *Company Secretary*

TECHNO ELECTRIC & ENGINEERING COMPANY LTD.
Registered office: P46A, Radha Bazar Lane, Kolkata 700 001
(To be handed over at the entrance of the Meeting Hall)

ATTENDANCE SLIP

Full Name & Address of Member/
Proxy attending the meeting : ....

Full Name of First Holder
(If Joint Holder/Proxy attending) : ....

Folio No. : ....

DP ID No. : ....

Client ID No. : ....

No. of shares held : ....

I hereby record my presence at the 7th ANNUAL GENERAL MEETING of the Company held on Saturday, August 11, 2012 at 10.00 a.m. at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata – 700 020.

____

Signature of the Member/Representative/Proxy*
* Strike out whichever is not applicable

TECHNO ELECTRIC & ENGINEERING COMPANY LTD.
Registered office: P46A, Radha Bazar Lane, Kolkata 700 001

FORM OF PROXY

I/We..

of .... being a member / members of TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED hereby appoint .... of .... or failing him/her .... of .... as my/our proxy to vote for me/us, on my/our behalf at the 7th ANNUAL GENERAL MEETING of the Company held on Saturday, August 11, 2012 and at any adjournment thereof.

Signed this .... day of 2012

Signature : ....

Folio No. : ....

DP ID No. : ....

Client ID No. : ....

Affix
Revenue
Stamp

Note: The Form of Proxy duly completed must be deposited at the Registered office of the Company, P46A, Radha Bazar Lane, Kolkata-700 001 not later than 48 hours before the time for holding the meeting.

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

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 by-product 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*

A TRISYS PRODUCT
info@trisyscom.com

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