

Techno Electric & Engineering Company Limited

Board of Directors

P. P. Gupta
(Managing Director)

V. D. Mohile

K. M. Poddar

Company Secretary

N. Brahma

Bankers

Vijaya Bank
N. S. Road Branch
4, Clive Row
Kolkata - 700 001

State Bank of India
Overseas Branch
"Samridhi Bhavan"
1, Strand Road
Kolkata - 700 001

ICICI Bank Ltd.
"Rasoi Court"
20, Sir R. N. Mukherjee Road
Kolkata - 700 001

Allahabad Bank
57, Park Street
Kolkata - 700 016

ABN AMRO Bank
I.T.C Centre, 5th Floor,
4 Russel Street
Kolkata - 700 071

Auditors

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

Registered Office

P-46A, Radha Bazar Lane
Kolkata - 700 001

Corporate Office

508-509, Skipper Corner
88, Nehru Place
New Delhi - 110 019

Registrar and Share Transfer Agent

Niche Technologies Private Ltd.

D-511, Bagree Market, 5th Floor

71, B. R. B. Basu Road

Kolkata - 700 001

Ph. : 2234-2318/3576, 2235-7270/7271/3070

Fax : 2215-6823

TECHNO ELECTRIC & ENGINEERING CO. LTD.

DIRECTORS' REPORT

To
The Members of
Techno Electric & Engineering Co. Ltd.

Your Directors have pleasure in presenting the 42nd Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2005.

FINANCIAL RESULTS

	Rupees in lacs	
	Year ended 31st March, 2005	Year ended 31st March, 2004
Profit before interest & depreciation	694.57	428.18
Less : Interest	4.95	13.31
Depreciation	37.62	34.16
Profit before tax	652.00	380.71
Provision for taxation (including deferred Income Tax and Security Transaction Tax)	161.53	92.49
Profit after taxation	490.47	288.22
Balance brought forward	0.04	270.35
	<u>490.51</u>	<u>558.57</u>

APPROPRIATIONS

Transfer to General Reserve	370.00	499.00
Proposed Dividend	105.54	52.77
Provision for Tax on Proposed Dividend	14.80	6.76
Surplus carried to Balance Sheet	0.17	0.04
	<u>490.51</u>	<u>558.57</u>

DIVIDEND

Your Directors have recommended a dividend of 20% (previous year 20%) on Paid-up Equity Share Capital, i.e. Re. 2.00 per equity share of Rs. 10/- each.

REVIEW OF THE OPERATIONS

The Company has achieved a turnover of Rs. 115.21 Crores as compared to Rs. 64.33 Crores during last year. In spite of stiff competition the Company could better its operating profits due to stress on value engineering and timely execution.

During the year under review, the Company has successfully completed the following projects :

- Vemagiri 400/220KV Sub-station of Simhadri and Vizag Transmission System Project of APTRANSCO.
- 132/66KV Gangtok (New) Sub-Station & Extension of Siliguri Sub-Station of PGCIL.
- Fuel Oil Handling System for Akrimota Thermal Power Station of GMDC Ltd.
- Cabling, Earthing & Lightning Protection System for 1x210MW Mejia TPS of DVC.
- Upgradation/modernization of Power Distribution System of LESA at Lucknow of UPPCL.
- Installation of 320 KA Aluminium Bus Bar System for BALCO Project at Korba of Sterlite Industries.
- Ash Water Piping Package for 4 x 122 MW Units of Santaldih Thermal Power Station of West Bengal Power Development Corporation Ltd.
- 132KV Bay & Extension of existing 132 KV MB & TB at Gola Sub-Station of DVC.
- BOP Mechanical Package for 100 MW CPP Unit # 2 at Hirakud of INDALCO.

The work for 400/220 KV Sub-station at Mahaboobnagar and Chittor of APTRANSCO, Cabling, Earthing and Lighting Protection System for 2 x 500 MW Rihand Thermal Power Station of NTPC for BHEL, 400 KV Biharshariff Sub-Station (Extension) & 400 KV Muzaffarpur Sub-Station (Extension) associated with System Strengthening in Eastern Region (Package 'B') of PGCIL, 132/33 KV Sub-Station (Package 'B') associated with Bihar Sub-Station System (Part 'A') of PGCIL, New 33/11KV Sub-Station and associated 33KV Feeders/Lines in the District of Muzaffarpur, Bihar (Page - I) on Turnkey basis in PM Gramoday Yojna (Package 'C' - 1) of PGCIL, 220/33 KV, 100 MVA Borjora Sub-Station of DVC are progressing satisfactorily and are expected to be completed on schedule.

As report during the last year, the Company is presently executing 2 Nos. 12 MW capacity Captive Power Projects (Waste Heat Recovery Based) at Haldia for Electrosteel Castings Ltd. and at Rachagunneri (AP) for Lanco Industries Ltd. are in advance stage of completion. The projects are scheduled to be commissioned during the first half of this year.

During the year the Company has bagged many prestigious Orders. The major amongst them are Turnkey Execution Strengthening and Improvement of Sub-Transmission and Distribution Network in Guwahati Electrical Circle - I of ASEB,

DIRECTORS' REPORT (Contd.)

Turnkey Execution Phase - II works of strengthening and Improvement of Sub-Transmission and Distribution Network in Cachar Electrical Circle of ASEB, Fuel Oil (LDO) Handling System and Condensate Storage Tanks package for 2 x 500 MW Vindhyachal STPP (STG-III) 9 & 10 of BHEL, Construction of new 33/11 KV Sub-station, Renovation and Modernisation of existing 33/11 KV Sub-station for Saharsa Circle, Bihar of BSEB, Revamping/Establishment of New Distribution Transformers and associated works in Muzaffarpur Circle of BSEB under APDRP Scheme, System Improvement & Transmission Improvement Project of 400/200 KV Sub-station at Dichpally of APTRANSCO, Electrical Installation Works New Parli 1 x 250 MW Unit # 1 of MSEB, Fuel Oil Handling System for Gautami Stage - I 469 MW CCPP of Gautami Power Pvt. Ltd. through ALSTOM, Ash Water Re-circulation System Package for Vindhyachal STPP, State-III (2 x 500 MW) of NTPC Ltd., 1 x 500 MW Sanjay Gandhi - TPS Unit # 5 at Birsinghpur (MPSEB) Package for Fuel Oil Handling System from BHEL, Construction Power for Naphtha Cracker Project of IOCL at Panipat, Cabling, Earthing, Lightning Protection System for 2 x 500 MW Vindhyachal STPP State - III of NTPC Ltd. from BHEL, 400 KV Pothead Yard Package @ BHEP of J & K SPDCL from ALSTOM, DM Water Storage Tank & Condensate Storage Tank of 1 x 500 MW, Birsinghpur STPP Unit # 5 from BHEL of NTPC Ltd., Electrical Equipment Erection Package for Unit # 9 & 10 of Stage - III 2 x 500 MW at Vindhyachal Super Thermal Power Project from BHEL of NTPC Ltd., 1 x 500 MW Bellary Thermal Power Station (Stage - I) for Fuel Oil System from BHEL of KPCL.

The Company has participated in many prestigious tenders in Public and Private Sectors and some of them are likely to be finalised shortly in Company's favour.

FUTURE OUTLOOK

As is widely known, the Power Sector is undergoing major reforms post enactment of Electricity Act, 2003 and Central Government's Power Policy of "Electricity for All" by 2012. Our Finance Minister has announced a massive Rural Electrification Programme with the objective of electrifying 1.25 lakhs villages in next five years and has provided Rs. 1100 crores for this programme during the year. With the continuing stress on the APDRP Scheme and now coupled with emphasis on Rural Electrification has created opportunities for your Company.

As your Company is involved in execution of projects associated with Power Generation & Transmission, APDRP Scheme and Rural Electrification Scheme, the very volume of work as projected in 10th Plan and Rural Electrification Programme offers a very bright prospective of growth. Your Company has already taken suitable initiatives in time in the

face of stiff competition. Your Company has already participated in the programmes mentioned above and has bagged many prestigious orders during the year as enumerated above.

Your Company's performance during the year is further expected to grow on similar lines as achieved during the previous year. In view of this, the future prospect of the Company is bright.

DIRECTORS

Shri P. K. Khaitan resigned from the Board of Directors of the Company with effect from 27th April, 2005. The Board places on record its appreciation of the valuable service rendered by Shri Khaitan during his tenure as Director of the Company.

Shri V D Mohile, Director who retires by rotation and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:-

- (i) that in the preparation of the accounts for the period ended March 31, 2005, the applicable Accounting Standards had been followed and there are no material departures;
- (ii) that the selected accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period and applied them consistently;
- (iii) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and for detecting fraud and other irregularities;
- (iv) that the accounts for the period ended March 31, 2005 are on a going-concern basis.

AUDITORS

The Auditors, M/s S. S. Kothari & Company, Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

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

TECHNO ELECTRIC & ENGINEERING CO. LTD.

DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE

Code of Corporate Governance pursuant to Clause 49 of the Listing Agreement has become applicable on the Company. Necessary steps are being taken for implementation of the various Clauses of code of Corporate Governance.

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 consumption of energy of any significant level and accordingly no comments are necessary in respect of energy conservation and reduction of energy consumption. In any event continuous efforts and proper steps are always being taken to conserve energy to the extent possible through conservation measures.

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings — Rs. 778.39 lacs
(under deemed export)

Foreign Exchange Outgo — Rs. 832.37 lacs

EMPLOYEES

The relations between the Employees and the Management continued to be cordial and stable at all levels. Your Directors wish to place on record their appreciation of the devoted services of all executives and staff of the Company.

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

ACKNOWLEDGEMENTS

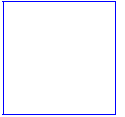
Your Directors wish to express their thanks to the esteemed shareholders, various customers and their consultants, different Government Departments, Company's Bankers, M/s Vijaya Bank, State Bank of India, IDBI Bank Ltd., Allahabad Bank and ABN Amro Bank for their continued support to the Company.

Place : Kolkata,
Dated : The 8th day of July, 2005

For and on behalf of the Board of Directors

P. P. GUPTA : *Managing Director*
K. M. PODDAR : *Director*

ANNEXURE 'A' TO THE DIRECTORS' REPORT



TECHNOLOGY ABSORPTION

FORM - B

Disclosure of particulars with respect to Technology Absorption as per Section 217(1)(e) of the Companies Act, 1956, read with The Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2005.

Technologies Absorbed :

Research & Development (R & D)

- | | | |
|---|---|--|
| 1. Specific Areas in which R & D carried out by the Company | : | NIL |
| 2. Benefit derived as a result of the above R & D | : | Does not arise |
| 3. Future Plan of Action | : | None |
| 4. Expenditure on R & D | : | N. A. |
| 5. Technology absorption, adaptation and innovation | : | The Company being a Project Engineering Firm, constant efforts are made to develop cost effective new products/systems to give trouble free service in its line of activities. |

For and on behalf of the Board of Directors

Place : Kolkata,

Dated : The 8th day of July, 2005

P. P. GUPTA : *Managing Director*

K. M. PODDAR : *Director*

AUDITORS' REPORT

To
The Shareholders of
Techno Electric & Engineering Co. Ltd.

We have audited the Balance Sheet of Techno Electric & Engineering Company Limited as at 31st March, 2005, the Profit and Loss Account and the Cash Flow Statement of the said Company for the year ended on that date, annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) According to the information and explanations given to us and on the basis of written representations from the Directors of the Company, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2005 from being appointed as a Director under Section 274(1)(g) of the Companies Act, 1956.
- e) Subject to Note No 2 of Part A of Schedule 13 regarding accounting of certain income and expenditure on cash basis, amount indeterminate, Note No. 8 of above Schedule regarding non-provision of accrued liability for leave encashment, to the extent indicated therein and Note No 8 of Part B of Schedule 13 regarding non-provision for diminutions in the value of Long Term Investments to the extent indicated therein being considered temporary in nature by the management, in our opinion and to the best of our information and according to explanations given to us, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act,

1956 and the said accounts, read together with the Accounting Policies and Notes appearing in Schedule 13, 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, 2005 and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date and the cash flow statement gives a true and fair view of the cash flow for the year ended on that date.

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 situations in respect of assets acquired subsequent to 1st July, 1970.
 - 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 assets. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification. However, physical verification of Furniture and Fixtures and Office Equipment has not been completed.
 - 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 explanation 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 explanation given to us the Company has maintained proper records of inventories and the discrepancies noticed on such physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3.
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence, Clauses 4(iii) (b) to 4(iii)(d) of the order are not applicable.
 - 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 Company and the nature of its business with regard to purchases of inventory and Fixed Assets and for the Sale of goods and services.
 5. In our opinion, and accordance 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 the 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, the provisions of Sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable.
 7. The Company has an Internal Audit system carried out by a firm of Chartered Accountants and the same is, in our opinion, commensurate with the size and nature of its business.
 8. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
 9.
 - a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, custom duty, investor education and protection fund, wealth tax, service tax and any other material statutory dues applicable to it and there is no outstanding as on 31st March, 2005 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, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
 10. The Company has neither accumulated losses as at 31st March, 2005 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 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 a society. Accordingly, clause 4(xiii) of the order is not applicable.
 14. We have broadly reviewed the books of accounts and records maintained by the Company and state that prime facie, proper records have been maintained of the transactions and contracts relating to purchase and sale of investments and timely entries have been made therein. All the investments have been held by the Company in its own name.
 15. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
 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. According to the information and explanations given to us, on an overall basis, funds raised on short term basis prima facie, have not been used during the year 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 Act.
 19. The Company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.
 20. The Company has not raised any money through a 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.

Centre Point
21, Old Court House Street
Kolkata 700 001
The 8th day of July, 2005

For S. S. KOTHARI & CO.
Chartered Accountants
R. N. BARDHAN
Partner
Membership No. 17270

TECHNO ELECTRIC & ENGINEERING CO. LTD.

BALANCE SHEET AS AT 31ST MARCH, 2005

	<u>Schedule</u>	<u>31st March, 2005</u>		<u>31st March, 2004</u>	
	No.	Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	5,27,68,000		2,63,84,000	
Reserves & Surplus	2	<u>20,44,96,059</u>		<u>19,38,66,538</u>	
			25,72,64,059		22,02,50,538
Loan Funds	3		<u>55,43,640</u>		<u>82,58,175</u>
			<u>26,28,07,699</u>		<u>22,85,08,713</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	4	6,87,02,802		6,02,42,474	
Less: Depreciation		<u>3,53,23,078</u>		<u>3,19,20,566</u>	
Net Block			3,33,79,724		2,83,21,908
Investments	5		34,87,50,680		15,28,65,638
Current Assets, Loans & Advances	6				
A. Current Assets		28,41,42,679		20,16,24,097	
B. Loans & Advances		<u>4,13,36,129</u>		<u>2,85,90,443</u>	
		<u>32,54,78,808</u>		<u>23,02,14,540</u>	
Less: Current Liabilities & Provisions	7				
A. Current Liabilities		42,68,28,912		17,44,97,609	
B. Provisions		<u>1,20,33,743</u>		<u>59,52,890</u>	
		<u>43,88,62,655</u>		<u>18,04,50,499</u>	
Net Current Assets			(11,33,83,847)		4,97,64,041
Deferred Tax Assets/(Liabilities) (Net)	8		(59,85,322)		(25,35,802)
Miscellaneous Expenditure (To the extent not written off or adjusted)					
Share Issue Expenses			46,464		92,928
			<u>26,28,07,699</u>		<u>22,85,08,713</u>
Significant Accounting Policies & Notes on Accounts					
	13				
The Schedules referred to above form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our Report of even date.					
Centre Point 21, Old Court House Street Kolkata 700 001 The 8th day of July, 2005		For S. S. KOTHARI & CO. Chartered Accountants R. N. BARDHAN Partner Membership No. 17270		N. BRAHMA Company Secretary	P. P. GUPTA Managing Director K. M. PODDAR Director

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2005**



	<u>Schedule</u>	<u>2004-2005</u>	<u>2003-2004</u>
	No.	Rs.	Rs.
INCOME			
Operating Income	9	1,15,20,99,861	64,32,82,006
Other Income	10	3,44,70,382	2,42,71,768
		<u>1,18,65,70,243</u>	<u>66,75,53,774</u>
EXPENDITURE			
(Increase)/Decrease in Inventories	11	24,19,283	(3,90,350)
Operative, Administrative & Other Expenses	12	1,10,96,38,030	62,00,71,229
Interest		4,95,193	13,30,538
Insurance on Keymen Policy		50,55,285	50,55,285
Depreciation		37,62,476	34,16,226
		<u>1,12,13,70,267</u>	<u>62,94,82,928</u>
PROFIT			
Profit before Taxation		6,51,99,976	3,80,70,846
Provision for Taxation			
Current Tax including provision for earlier year Rs. 13,522 (Previous year Rs. Nil)		1,26,13,522	64,00,000
Deferred Income Tax		34,49,520	28,48,901
Security Transaction Tax		89,670	—
Profit after Taxation		4,90,47,264	2,88,21,945
Balance brought forward		3,573	2,70,34,518
		<u>4,90,50,837</u>	<u>5,58,56,463</u>
APPROPRIATIONS			
Transfer to General Reserve		3,70,00,000	4,99,00,000
Proposed Dividend		1,05,53,600	52,76,800
Provision for Tax on Proposed Dividend		14,80,143	6,76,090
Surplus carried to Balance Sheet		17,094	3,573
		<u>4,90,50,837</u>	<u>5,58,56,463</u>
Earning per Share (Basic and Diluted)		9.29	5.46
Significant Accounting Policies & Notes on Accounts	13		
The Schedules referred to above form an integral part of the Profit & Loss Account. This is the Profit & Loss Account referred to in our Report of even date.			
Centre Point 21, Old Court House Street Kolkata 700 001 The 8th day of July, 2005	For S. S. KOTHARI & CO. <i>Chartered Accountants</i> R. N. BARDHAN <i>Partner</i> Membership No. 17270	N. BRAHMA <i>Company Secretary</i>	P. P. GUPTA <i>Managing Director</i> K. M. PODDAR <i>Director</i>

TECHNO ELECTRIC & ENGINEERING CO. LTD.

SCHEDULES TO THE ACCOUNTS

		<u>31st March, 2005</u>		<u>31st March, 2004</u>	
		Rs.	Rs.	Rs.	Rs.
1. SHARE CAPITAL					
Authorised					
99,80,000	Equity Shares of Rs. 10 each (Previous year 49,80,000)	9,98,00,000		4,98,00,000	
20,000	Preference Shares of Rs. 10 each	<u>2,00,000</u>		<u>2,00,000</u>	
			<u>10,00,00,000</u>		<u>5,00,00,000</u>
Issued and Subscribed					
52,76,800	Equity Shares of Rs. 10 each Fully Paid up (Previous year 26,38,400)		<u>5,27,68,000</u>		<u>2,63,84,000</u>
			<u>5,27,68,000</u>		<u>2,63,84,000</u>
Of the above					
59,000	Equity Shares of Rs. 10 each, were allotted as fully paid up pursuant to a contract without payment being received in cash				
26,38,400	Equity Shares of Rs. 10 each were alloted as fully paid up Bonus Shares on 21.12.2004 by capitalisation of share premium account				
2. RESERVES AND SURPLUS					
Capital Reserve :					
	Profit on re-issue of Forfeited Shares As per last Account		6,000		6,000
Share Premium Account :					
	As per last Account	5,94,00,000			
	Less: Adjusted against Issue of Bonus Shares	<u>2,63,84,000</u>	3,30,16,000		5,94,00,000
General Reserve :					
	As per last Account	13,44,56,965		8,45,56,965	
	Add: Transferred from Profit & Loss Account	<u>3,70,00,000</u>	17,14,56,965	<u>4,99,00,000</u>	13,44,56,965
Profit & Loss Account :					
	Balance as per annexed Account		<u>17,094</u>		<u>3,573</u>
			<u>20,44,96,059</u>		<u>19,38,66,538</u>
3. LOAN FUNDS					
Secured Loans :					
i)	From Banks		55,37,036		80,53,821
ii)	From Others		6,604		2,04,354
			<u>55,43,640</u>		<u>82,58,175</u>

SCHEDULES TO THE ACCOUNTS

4. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st March 2004	Additions During the year	Sales/Adjust- ment during the year	Total upto 31st March 2005	Upto 31st March 2004	For the year	On Sales/Adjust- ment during the year	Total upto 31st March 2005	As at 31st March 2005	As at 31st March 2004
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	1,22,752	—	—	1,22,752	—	—	—	—	1,22,752	1,22,752
Factory Building	7,20,328	—	—	7,20,328	4,85,309	24,059	—	5,09,368	2,10,960	2,35,019
Non-Factory Building	77,13,525	67,710	—	77,81,235	5,12,388	1,36,767	—	6,49,155	71,32,080	72,01,137
Plant & Machinery	2,47,57,287	45,24,511	—	2,92,81,798	1,45,30,806	11,98,168	—	1,57,28,974	1,35,52,824	1,02,26,481
Office Equipment	1,13,66,133	19,08,385	1,88,000	1,48,86,518	89,91,597	13,16,535	1,75,518	1,01,32,614	47,53,904	41,74,536
Furniture & Fixture	37,34,026	82,778	—	38,16,804	32,35,843	1,24,329	—	33,60,172	4,56,632	4,98,183
Construction Vehicle	46,90,220	10,50,857	2,91,750	54,49,327	22,17,857	4,31,720	1,84,446	24,65,131	29,84,196	24,72,363
Vehicle	53,38,203	13,05,837	—	66,44,040	19,46,766	5,30,898	—	24,77,664	41,66,376	33,91,437
Total	6,02,42,474	89,40,078	4,79,750	6,87,02,802	3,19,20,566	37,62,476	3,59,964	3,53,23,078	3,33,79,724	2,83,21,908
Figures for the Previous year	5,58,93,724	49,18,428	5,69,678	6,02,42,474	2,88,74,583	34,16,226	3,70,243	3,19,20,566	2,83,21,908	

Notes :

- Gross Block includes Rs. 3,04,214 (Previous year Rs. 3,04,214) on revaluation of Plant & Machinery & Construction Vehicles as per Valuer's Report dated 15th June, 1977.
- Conveyance Deeds in respect of Non-Factory Buildings amounting to Rs. 71,96,669 (Previous year Rs. 75,56,669) are in the process of being executed in favour of the Company.

TECHNO ELECTRIC & ENGINEERING CO. LTD.

SCHEDULES TO THE ACCOUNTS

	Face Value	31st March		31st March	
	Per Share/Unit	Nos.	Rs.	Nos.	Rs.
5. INVESTMENTS					
Unquoted					
Fully Paid-Equity Shares :					
Tega India Ltd.	10	7	70	7	70
Techno Leasing & Finance Co. Pvt. Ltd.	10	10	100	10	100
Techno International Ltd.	10	1,70,060	17,00,600	1,70,060	17,00,600
Fully Paid Units with Mutual Funds:*					
Franklin Templeton Mutual Fund	10	15,62,783	1,56,52,204	—	—
J. M. Financial Mutual Fund	10	2,01,83,976	20,36,35,393	—	—
Sundaram Mutual Fund	10	10,79,561	1,07,95,997	—	—
Reliance Mutual Fund	10	19,62,709	2,00,67,131	—	—
Kotak Mahindra Mutual Fund	10	10,09,622	1,01,09,546	—	—
HSBC Mutual Fund	10	79,14,371	7,92,48,178	—	—
Fully Paid Bonds :					
10.5% Tax Free Konkan Railway Corporation Limited	1,000	—	—	20,000	2,03,98,835
7% IDBI Bond 2019	5,000	—	—	8,000	4,07,68,548
12% Maharashtra State Electricity Board SLR 2011	10,00,000	—	—	10	1,26,13,333
14% Industrial Investment Bank of India 2005	1,00,000	—	—	100	1,16,47,055
10.65% Andhra Pradesh Power Finance Corporation Ltd. Bond 2013	1,00,000	—	—	100	1,12,10,137
10.90% Andhra Pradesh Power Finance Corporation Ltd. Bond 2013	1,00,000	—	—	350	4,28,09,603
			<u>34,12,09,219</u>		<u>14,11,48,281</u>
Quoted					
Fully Paid-Equity Shares :					
Chambal Fertilizer & Chemicals Ltd.	10	14,000	4,17,025	—	—
Rajinder Steels Ltd.	10	3,900	23,202	3,900	23,202
GIC Housing Finance Ltd.	10	35,000	13,84,532	—	—
Saurashtra Chemicals Ltd.**	10	2,500	—	2,500	—
Punjab Woolcombers Ltd.	10	2,350	39,904	2,350	39,904
Mukerian Papers Ltd.	10	3,800	30,941	3,800	30,941
Ascu Arch Timber Protection Ltd.	10	50,617	10,12,340	50,617	10,12,340
Industrial Development Bank of India	10	1,25,316	20,20,630	1,25,316	20,20,630
Jaiprakash Associates Ltd.	10	—	—	4,000	1,62,357
National Aluminium Co. Ltd.	10	10,100	17,29,567	47,676	31,83,385
Tata Power Co. Ltd.	10	—	—	32,900	37,77,325
Indian Petrochemical Corporation Ltd.	10	—	—	16,488	14,67,273
Varun Shipping Co. Ltd.	10	27,000	8,83,320	—	—
			<u>75,41,461</u>		<u>1,17,17,357</u>
			<u>34,87,50,680</u>		<u>15,28,65,638</u>
Aggregate Value of Unquoted Investments			34,12,09,219		14,11,48,281
Aggregate Value of Quoted Investments					
Book Value			75,41,461		1,17,17,357
Market Value			1,67,27,368		3,28,78,932
* Represents Short Term Investments.					
** Received pursuant to Scheme of arrangement with Birla VXL Ltd.					

SCHEDULES TO THE ACCOUNTS

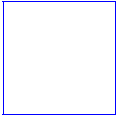
	<u>31st March, 2005</u>		<u>31st March, 2004</u>	
	Rs.	Rs.	Rs.	Rs.
6. CURRENT ASSETS, LOANS AND ADVANCES				
A. Current Assets :				
Inventories				
(As per Inventories taken, valued and certified by Management)				
Goods in Transit	—		81,07,828	
Contract Work-in-Progress (Refer Note No. 3 of Part B of Schedule 13)	15,38,401		39,57,684	
		15,38,401		1,20,65,512
Sundry Debtors				
(Unsecured & Considered Good)				
Debts outstanding for a period exceeding six months	81,18,563		1,43,168	
Others	7,63,40,167		7,09,44,966	
		8,44,58,730		7,10,88,134
Retention Money Receivable (Unsecured & Considered Good)				
Outstanding for a period exceeding six months	40,17,971		19,46,073	
Others	4,07,94,361		2,56,84,866	
		4,48,12,332		2,76,30,939
Cash and Bank Balances				
Cash in hand (As certified)		23,19,247		9,01,985
Balance with Scheduled Banks				
On Current Account	6,56,78,492		3,61,38,166	
On Fixed Deposits	8,53,06,537		5,37,70,421	
On Margin Deposit	28,940	15,10,13,969	28,940	8,99,37,527
		28,41,42,679		20,16,24,097
B. Loans and Advances				
(Unsecured & Considered Good)				
Advances recoverable in cash or in kind or for value to be received		3,49,27,682		1,76,77,939
Income Tax paid in Advance and Tax deducted at source (Net of Provision of Rs. 3,12,50,000) (Previous year Rs. 1,86,50,000)		37,29,841		29,11,762
Deposits		26,78,606		80,00,742
		4,13,36,129		2,85,90,443

TECHNO ELECTRIC & ENGINEERING CO. LTD.

SCHEDULES TO THE ACCOUNTS

	<u>31st March, 2005</u>	<u>31st March, 2004</u>
	Rs.	Rs.
7. CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities :		
Offered to Deities Shree Ganeshji	144	139
Sundry Creditors	15,40,74,090	4,79,87,773
Advance Received from Customers	27,25,76,012	12,63,61,185
Unpaid Dividend	1,78,666	1,48,512
	<u>42,68,28,912</u>	<u>17,44,97,609</u>
B. Provisions :		
Proposed Dividend	1,05,53,600	52,76,800
Tax on Proposed Dividend	14,80,143	6,76,090
	<u>1,20,33,743</u>	<u>59,52,890</u>
8. DEFERRED TAX ASSETS/(LIABILITIES) (NET)		
Deferred Tax Liabilities :		
Accumulated Depreciation	(59,85,322)	56,86,487
Less : Deferred Tax Assets :		
Accrued expenses deductible on payment basis	—	64,183
Carry over Capital loss	—	30,86,502
	<u>(59,85,322)</u>	<u>31,50,685</u>
	<u>(59,85,322)</u>	<u>(25,35,802)</u>
	<u>2004-2005</u>	<u>2003-2004</u>
	Rs.	Rs.
9. OPERATING INCOME		
Sales	1,15,20,99,861	64,32,82,006
	<u>1,15,20,99,861</u>	<u>64,32,82,006</u>
10. OTHER INCOME		
Dividend	36,25,307	25,50,084
Interest :		
On Loans and Advances	1,79,877	18,28,353
On Investments	58,20,978	27,19,956
Profit on Sale of Investments (Net)	2,47,11,749	1,71,14,894
Miscellaneous Receipts	1,24,554	58,481
Exchange rate Difference (Net)	7,917	—
	<u>3,44,70,382</u>	<u>2,42,71,768</u>

SCHEDULES TO THE ACCOUNTS



	2004-2005		2003-2004	
	Rs.	Rs.	Rs.	Rs.
11. (INCREASE)/DECREASE IN INVENTORIES				
Opening Stock :				
Contract Work-in-Progress	<u>39,57,684</u>		<u>35,67,334</u>	
	39,57,684		35,67,334	
Less : Closing Stock				
Contract Work-in-Progress	<u>15,38,401</u>	<u>24,19,283</u>	<u>39,57,684</u>	<u>(3,90,350)</u>
		<u>24,19,283</u>		<u>(3,90,350)</u>
12. OPERATIVE, ADMINISTRATIVE AND OTHER EXPENSES				
Materials, Stores and Services		93,58,91,321		51,59,25,811
Salaries, Wages, Gratuity & Bonus		3,89,98,644		2,96,48,954
Contributions to Provident & Other Funds		30,84,885		17,77,796
Staff Welfare		52,73,251		43,82,472
ESI Contribution		1,31,273		79,867
Freight & Handling Charges		2,52,62,117		1,06,53,958
Travelling & Conveyance		1,56,51,450		1,37,01,428
Rent		46,63,295		26,73,218
Rates & Taxes		1,65,317		91,889
Insurance		70,28,049		28,75,560
Sales Tax (Net)		82,15,967		24,48,973
Service Tax (Net)		10,32,334		—
Marketing Commission		7,75,000		8,00,000
Power & Fuel		31,24,036		19,90,838
Hire Charges		30,78,030		11,33,848
Repairs to Plant & Machinery		15,03,303		5,76,082
Managing Director's Remuneration		7,35,000		6,75,000
Directors' Fee		3,500		2,500
Auditors' Remuneration		81,395		65,761
Bank Charges		1,31,34,152		48,62,315
Loss on Sale of Fixed Assets		43,786		1,08,935
Share Issue Expenses Written Off		46,464		46,463
Exchange Rate Difference (Net)		—		4,33,024
Miscellaneous		<u>4,17,15,461</u>		<u>2,51,16,537</u>
		<u>1,10,96,38,030</u>		<u>62,00,71,229</u>

SCHEDULES TO THE ACCOUNTS

13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. Significant Accounting Policies

1. Accounting Concept

The Accounts are prepared under the historical cost convention, modified by the revaluation of certain Fixed Assets. Accounting Policies not referred to otherwise are consistent with Generally Accepted Accounting Principles.

2. Recognition of Income & Expenditure

The Company follows the 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 Liquidated Damages, Work Contract Tax, Insurance Claim, Marketing Commission, Export Benefits, Bill Discounting Charges, Interest on Fixed Deposit and on Investment, the same are continued to be accounted for on cash basis.

3. Sales

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

4. Fixed Assets

- (a) Fixed Assets are stated at their original cost adjusted by revaluation of certain Plant and Machinery and Construction Vehicle.
- (b) 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 Equipment, Furniture & Fixtures which is provided for on Written Down Value Method.

5. Investments

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

6. Inventories

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

7. Foreign Currency Transactions

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

8. Retirement Benefits

Liability in respect of Gratuity is provided for in the Accounts, based on actuarial valuation. Leave encashment benefits to employees is accounted for on Cash basis. Accrued liability for leave encashment based on actuarial valuation as on 31st March, 2005 is Rs. 15,95,000 (Previous year Rs. 12,90,000).

9. 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 statutory 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.

SCHEDULES TO THE ACCOUNTS

10. 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.

11. 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.

12. Miscellaneous Expenditure

Share issue Expenses are written off over a period of ten years.

13. Contingent Liabilities

These are not provided for and are disclosed by way of Notes.

B. Notes on Accounts

1. Contingent Liabilities not provided for in respect of :
 - i) Letters of Credit outstanding Rs. 9,43,46,848 (Previous Year Rs. 2,18,20,264).
2. The Company has an approved Gratuity Fund for the Officers and Employees of the Company. The estimated amount of Gratuity payable to Employees based on actuarial valuation as on 31st March, 2005 amounting to Rs. 56,73,175 (Previous Year Rs. 47,23,175) has been provided for in the accounts and paid to the Trustees of Gratuity Fund.
3. Materials and Stores purchased during the year include Stores Rs. 4,22,74,813 (Previous year Rs. 1,31,10,535). The consumption of such materials included in outlay and contract work-in-progress have been taken by the Auditors as certified.
4. Interest paid includes Rs. 36,300 on Term Loans (Previous year Rs. 1,26,373).
5. Bank Charges are reported net of income by Way of interest earned from the banks on fixed deposits amounting to Rs. 12,21,357 (Previous year Rs. 34,92,693).
6. The net deferred tax Liability of Rs. 34,49,520 for the year has been recognised in the Profit and Loss Account.
7. Secured Loans :

	<u>2004-2005</u>	<u>2003-2004</u>
(a) From Bank	Rs.	Rs.
(i) Secured against Hypothecation of Components, Raw-Materials, Work-in-Progress, Plant & Machinery, Book Debts & Personal Guarantee of a Director	50,00,000	—
(ii) Secured against Hypothecation of specified Vehicles	5,37,036	5,21,900
(iii) Secured against pledge of Fixed Deposit Receipts of Rs. 84 Lacs	—	75,31,921
(b) From Others		
Secured against Hypothecation of specified Vehicles & equipments	6,604	2,04,354
(c) The Company has created a first charge on the fixed assets except specified Vehicles & Equipments hypothecated against loan and floating charges on book debts in favour of Bankers of the Company for issuing Bank Guarantee and also Fixed Deposit Receipts of Rs. 8,53,06,537 are lodged with the bankers of the Company as Margin.		
8. In the opinion of the management, diminutions in the value of Long Term Investments Rs. 3,30,543 (Previous year Rs. 2,35,848) are not permanent in nature and hence no provision has been made for the same.
9. To the extent identified from available information, there is no amount due to SSI units as on 31st March, 2005.

TECHNO ELECTRIC & ENGINEERING CO. LTD.

SCHEDULES TO THE ACCOUNTS

10. Investments :

Investments purchased & sold during the year.

	Units	Nos.	Face Value Rs.
HSBC Mutual Fund	"	6349213.598	10
J. M. Mutual Fund	"	49700196.906	10
Templeton Mutual Fund	"	536369.910	10
Reliance Mutual Fund	"	8424626.587	10
Sundaram Mutual Fund	"	1557010.084	10
ABN AMRO Asset Management M-33	"	200000.000	10
Principal Asset Management	"	2016859.658	10
Kotak Mahindra Mutual Fund	"	4387692.424	10
HDFC Mutual Fund	"	3505716.093	10
12% MSEB SLR-2011	Bonds	10	1000000
13.65% IIBI CCMM Bond	"	44	359420
10.90% PGC Bonds-2015	"	12	1100000
11.70% Jodhpur VSNL Bonds	"	10	1000000
11.70% AVVNL Bonds	"	20	1000000
8.40% Kerala Power Fin. Corpn. Ltd.	"	33	1000000
11% MKVDC Bond 2010	"	231	100000
8% Federal Bank	"	9	1000000
9.5% MPVC Ltd. Bond-2016	"	44	1000000
8.40% Aprtransco-Bond-2014	"	32	1000000
13.5% MKVDC-2006	"	77	100000
7.25% IOB Bonds 2015	"	22	1000000
6% Syndicate Bank-2014	"	5	1000000
11.30% IFCISLR Bonds-2008	"	2700	1000
10.75% TIDCO Bonds-2009	"	26	100000
13% MSEB Bonds 30.12.2007	"	5	100000
7.22% REC Bonds 2014	"	33	1000000
0% PFC Bonds 2022	"	112	100000
11.5% Jammu & Kashmir SFC SLR	"	440	100000
8.5% GEB Bonds	"	100	100000
8.40% APGENCO Bonds-2014	"	17	1000000
12.5% SSNL Bonds 2008	"	28	100000
8% APWRDC 2011	"	76	100000
0% MSRDC Bonds 2018	"	20	1000000
7.30% FCI Bonds 2015	"	39	1000000

11. Remuneration to Managing Director

	<u>2004-2005</u>	<u>2003-2004</u>
	Rs.	Rs.
Salary	7,35,000	6,75,000
Contribution to Provident Fund	88,200	81,000
Perquisites	60,105	57,815
	<u>8,83,305</u>	<u>8,13,815</u>

12. Remuneration to Auditors (Including Service Tax)

Audit Fees	60,610	48,600
Tax Audit Fees	5,510	5,400
Certification Work & Other	15,275	11,761
	<u>81,395</u>	<u>65,761</u>

SCHEDULES TO THE ACCOUNTS

13. Additional Information

A. Materials bought & consumed for Job Work/Production excluding cost of services :

	Unit	2004-2005		2003-2004	
		Qty.	Value Rs.	Qty.	Value Rs.
Steel	M.T.	6,695	18,81,19,580	3,275	7,04,15,818
Cement	M.T.	8,853	2,60,84,773	5,876	1,52,36,669
Pipes & Tubes	MTR.	22,828	1,74,15,179	32,102	1,58,66,778
Sub-Station Structures	M.T.	2,169	6,37,64,058	1,767	5,95,99,229
Valves	Nos.	589	80,30,092	658	25,06,523
Insulators & Fittings	Nos.	18,083	3,62,30,024	4,423	2,01,81,181
Power & Control Cables	MTR.	3,85,822	2,97,00,333	2,90,693	2,49,92,893
Transformer	Nos.	345	4,66,89,499	124	10,74,17,502
Surge Arrestor	Nos.	314	58,49,371	139	14,83,860
Control & Relay Panel	Nos.	78	1,80,31,524	55	93,25,860
Isolators	Nos.	297	2,28,89,909	77	42,76,477
Circuit Breaker	Nos.	55	5,73,49,377	14	1,00,28,205
PLCC Equipment	Nos.	102	1,98,40,554	20	49,72,964
Cable Tray and Flexible Support	Nos.	1,21,781	3,71,82,115	1,00,606	3,31,90,829
Distribution Board	Nos.	20	55,31,510	46	64,65,244
Motor & Pumps	Nos.	67	71,14,503	66	44,16,574
Steam Turbine	Nos.	1	5,24,86,875	—	—
Damper	Nos.	6	61,09,908	—	—
Others	—	—	15,15,73,536	—	8,12,33,276
			<u>79,99,92,720</u>		<u>47,16,09,882</u>

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

B. Detail of sales	Unit	2004-2005		2003-2004	
		Qty.	Value Rs.	Qty.	Value Rs.
Fuel Oil Handling Plant	Nos.	2	2,33,69,195	3	3,29,44,060
Comprehensive Electrical System	Nos.	2	9,36,82,942	5	7,02,06,398
Sub-Station/Switchyard (EHT)	Nos.	10	55,25,74,674	12	50,60,07,049
Captive Power Plant & Balance of Plant	Nos.	3	24,13,90,328	1	34,54,776
320 KA Aluminium Busbar System	Nos.	1	12,43,68,190	—	—
Power Distribution Net Work (HT)	Nos.	2	5,16,36,501	—	—
Others			6,50,78,031		3,06,69,723
			<u>1,15,20,99,861</u>		<u>64,32,82,006</u>

C. Consumption of Imported and indigenous Materials & Stores and the percentage thereof

	2004-2005		2003-2004	
	%	Value Rs.	%	Value Rs.
Indigenous	89	70,83,51,200	98	45,98,42,818
Imported	11	9,16,41,520	2	1,17,67,064
		<u>79,99,92,720</u>		<u>47,16,09,882</u>

TECHNO ELECTRIC & ENGINEERING CO. LTD.

SCHEDULES TO THE ACCOUNTS

	<u>2004-2005</u>	<u>2003-2004</u>
	Value Rs.	Value Rs.
D. CIF Value of Imports :		
Materials	8,30,12,884	1,90,68,473
Capital Goods	1,38,600	—
	<u>8,31,51,484</u>	<u>1,90,68,473</u>
E. Earnings in Foreign Exchange		
Export of Goods		
Deemed Export Under Global Tender at Ex-works value	<u>7,78,38,753</u>	<u>19,34,85,253</u>
	<u>7,78,38,753</u>	<u>19,34,85,253</u>
F. Expenditure in Foreign Currency		
i) Travelling	81,483	2,48,763
ii) Others	4,011	11,876
	<u>85,494</u>	<u>2,60,639</u>

14. Earnings Per Share:

Profit/(Loss) after taxation as per Profit and Loss Account	4,90,47,264	2,88,21,945
Weighted average number of Equity Shares outstanding	52,76,800	52,76,800
Basic and diluted earning per Share in Rupees (Face Value Rs. 10 per Share)	9.29	5.46

15. Segment Reporting:

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

	<u>For the year ended 31st March, 2005</u>			<u>For the year ended 31st March, 2004</u>		
	Construction Rs.	Corporate Rs.	Total Rs.	Construction Rs.	Corporate Rs.	Total Rs.
A. REVENUE						
1. Sales	1,15,20,99,861	—	1,15,20,99,861	64,32,82,006	—	64,32,82,006
2. Others	1,32,471	3,43,37,911	3,44,70,382	58,481	2,42,13,287	2,42,71,768
3. Total Revenue	<u>1,15,22,32,332</u>	<u>3,43,37,911</u>	<u>1,18,65,70,243</u>	<u>64,33,40,487</u>	<u>2,42,13,287</u>	<u>66,75,53,774</u>
B. RESULT						
1. Segment result/operating Profit before tax and interest	3,14,03,722	3,42,91,447	6,56,95,169	1,52,34,560	2,41,66,824	3,94,01,384
2. Interest expenses	—	4,95,193	4,95,193	—	13,30,538	13,30,538
3. Provision for Income tax	—	—	1,61,52,712	—	—	92,48,901
4. Net Profit	—	—	<u>4,90,47,264</u>	—	—	<u>2,88,21,945</u>
C. OTHER INFORMATION						
1. Segment assets	35,51,28,691	35,25,26,985	70,76,55,676	25,56,24,686	15,58,70,328	41,14,95,014
2. Segment liabilities	43,21,93,886	27,54,61,790	70,76,55,676	18,26,07,272	22,88,87,742	41,14,95,014
3. Capital expenditure	89,40,078	—	89,40,078	49,18,428	—	49,18,428
4. Depreciation	37,62,476	—	37,62,476	34,16,226	—	34,16,226
5. Non cash expenses other than depreciation	—	46,464	46,464	—	46,463	46,463

SCHEDULES TO THE ACCOUNTS

16. Related Party disclosures under Accounting Standard 18 :

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

Name	Relationship
Techno International Ltd.	Associates
Mr. P. P. Gupta (Managing Director)	Key Mangement Personnel

b) Transactions during the year :

Name	Relationship	Services Received	Remuneration	Outstanding as at 31st March, 2005	Amount Written off/written back
		Rs.	Rs.	Rs.	Rs.
Techno International Ltd.	Associates	5,38,750	—	—	—
		(6,69,107)	—	—	—
Mr. P. P. Gupta (Managing Director)	Key Management Personnel	—	8,83,305	—	—
		—	(8,13,815)	—	—

Figures in Brackets relates to arise of previous year

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

TECHNO ELECTRIC & ENGINEERING CO. LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration No.

State Code

Balance Sheet Date

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

Public Issue

Right Issue

Bonus Issue

Private Placement

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

Total Liabilities

Total Assets

Sources of Funds :

Paid-Up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds :

Net Fixed Assets

Investments

+ -
Including Deferred Tax
Liabilities 5985

Net Current Assets

Misc. Expenditure

Accumulated Loss

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

Turnover

Total Expenditure

+ -

Profit Before Tax

+ -

Profit After Tax

Earning Per Share (Rs.)

Dividend Rate %

(Basic & diluted)

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

Item Code No. (ITC Code)

Product Description

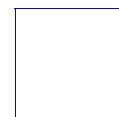
Centre Point
21, Old Court House Street
Kolkata 700 001
The 8th day of July, 2005

For S. S. KOTHARI & CO.
Chartered Accountants
R. N. BARDHAN
Partner
Membership No. 17270

N. BRAHMA
Company Secretary

P. P. GUPTA
Managing Director
K. M. PODDAR
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005



	<u>2004-2005</u>	<u>2003-2004</u>
	Rs.	Rs.
A. Cash Flow from Operating Activities :		
Net Profit before tax and extraordinary items	6,51,99,976	3,80,70,846
Adjustments for :		
Depreciation	37,62,476	34,16,226
(Profit)/Loss on Sale of fixed assets	43,786	1,08,935
Share Issue Expenses Written off	46,464	46,463
Interest/Dividend Income	(96,26,162)	(70,98,393)
(Profit)/Loss on Sale of Investments (Net)	(2,47,11,749)	(1,71,14,894)
Interest Paid	4,95,193	13,30,538
Operating Profit before Working Capital Changes	3,52,09,984	1,87,59,721
Adjustments for :		
Trade and other receivables	(4,24,79,596)	(3,48,51,127)
Inventories	1,05,27,111	(1,22,95,858)
Trade Payables	25,23,31,303	2,03,08,451
Cash generated from operations	25,55,88,802	(80,78,813)
Interest Paid	(4,95,193)	(13,30,538)
Direct taxes paid (net of refunds)	(1,35,21,271)	(70,98,895)
Cash Flow before Extraordinary items	24,15,72,338	(1,65,08,246)
Extraordinary Items	—	—
Net Cash flow from Operating Activities	<u>24,15,72,338</u>	<u>(1,65,08,246)</u>
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(89,40,078)	(49,18,428)
Sale of Fixed Assets	76,000	90,500
(Increase)/Decrease in Investments	(17,11,73,293)	2,61,66,753
Interest Income	60,00,855	45,48,309
Dividend Income	36,25,307	25,50,084
Net Cash Used in Investing Activities	<u>(17,04,11,209)</u>	<u>2,84,37,218</u>

TECHNO ELECTRIC & ENGINEERING CO. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005

	<u>2004-2005</u>	<u>2003-2004</u>
	Rs.	Rs.
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	(27,14,535)	(2,40,09,157)
Dividend paid	(59,52,890)	(29,76,380)
Net Cash used in Financing activities	<u>(86,67,425)</u>	<u>(2,69,85,537)</u>
Net Increase /(Decrease) in Cash & Cash Equivalents (A + B + C)	6,24,93,704	(1,50,56,565)
Opening Balance of Cash & Cash Equivalents	9,08,39,512	10,58,96,077
Closing Balance of Cash & Cash Equivalents	15,33,33,216	9,08,39,512

This is the Cash Flow Statement referred to in our Audit report of even date.

Centre Point
21, Old Court House Street
Kolkata 700 001
The 8th day of July, 2005

For S. S. KOTHARI & CO.
Chartered Accountants
R. N. BARDHAN
Partner
Membership No. 17270

N. BRAHMA
Company Secretary

P. P. GUPTA
Managing Director
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Director