



Techno Electric & Engineering Company Limited

Board of Directors

P. P. Gupta	— <i>Managing Director</i>
V. D. Mohile	— <i>Independent Director</i>
K. M. Poddar	— <i>Independent Director</i>
K. Vasudevan	— <i>Independent Director</i>
K. K. Rai	— <i>Independent Director</i>
Ajay Relan	— <i>Non-Executive Director</i>

Company Secretary

N. Brahma

Bankers

Vijaya Bank
State Bank of India
IDBI Bank
ICICI Bank
ABN AMRO Bank
Standard Chartered Bank
Allahabad Bank
YES Bank
Citibank N.A.

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

3F, Park Plaza
71, Park Street
Kolkata - 700 016

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 44th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS

	Year ended 31st March, 2007 (Rs. in lacs)	Year ended 31st March, 2006 (Rs. in lacs)
Profit before Interest & Depreciation	4219.98	1803.10
Less : Interest	18.46	21.80
Depreciation	54.52	46.04
Profit before Tax	4147.00	1735.26
Provision for Taxation (including Deferred Income Tax, Fringe Benefit Tax and Security Transaction Tax)	1344.96	513.01
Profit after Taxation	2802.04	1222.25
Balance brought forward from previous year	0.81	0.17
	<u>2802.85</u>	<u>1222.42</u>

APPROPRIATIONS

Transfer to General Reserve	2475.00	1005.00
Proposed Dividend	277.46	189.97
Provision for tax on Proposed Dividend	47.15	26.64
Surplus carried to Balance Sheet	3.24	0.81
	<u>2802.85</u>	<u>1222.42</u>

DIVIDEND

Your Directors have recommended a dividend of 25% (previous year 20%) on Paid-up Equity Share Capital, i.e. Rs.0.50 per equity share of Rs. 2/- each.

REVIEW OF THE OPERATIONS

The Company has achieved a turnover of Rs. 35264.82 lacs as compared to Rs. 25063.73 lacs and profit after tax of Rs. 2802.04 lacs as compared to Rs.1222.25 lacs during the previous year. In spite of stiff competition the Company could better its profits due to good project management, efficient planning and timely completion of projects.

During the year under review the company has successfully completed the following projects

- Turnkey Execution Strengthening and Improvement of Sub-Transmission and Distribution Network in Guwahati Electrical Circle – I and in Cachar Electrical Circle Phase II 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 33/11KV 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;
- Electrical Installation Works, New Parli 1x250 MW Unit # 1 of MSEP;
- 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 (2x500MW) of NTPC Ltd.;
- 1x500 MW Sanjay Gandhi – TPS Unit # 5 at Birsinghpur (MPSEB) Package for Fuel Oil Handling System from BHEL;
- Cabling, Earthing, Lightning Protection System for 2x500 MW Vindhyachal STPP State – III of NTPC Ltd. from BHEL;
- 400KV Pothead Yard Package at BHEP of J&K SPDCL from ALSTOM;
- DM Water Storage Tank & Condensate Storage Tank of 1x500 MW, Birsinghpur STPP Unit # 5 from BHEL of MPEB;
- 1x500 MW Bellary Thermal Power Station (Stage-I) for Fuel Oil System from BHEL of KPCL;
- Strengthening and improvement of Sub-transmission and distribution network in Saharsa Circle (Part I & II) of BSEB from PGCIL; and
- Electrical Equipment Erection Package for Unit # 9 & 10 of Stage – III (2x500MW) at Vindhyachal Super Thermal Power Project from BHEL of NTPC Ltd.

The works for 220/33 KV Durgapur Sub-Station and 132/33 KV Jamuria Sub-Station of DVC; 2x100 MVA, 220/132 KV Sub-Station at Bhadrak of OPTCL; 132/33 KV Sub-Stations in the Districts of Bankura, Hooghly and Bardhaman on turnkey basis from WBSEB; Strengthening and improvement of Sub-transmission and distribution network in Lakhimpur Electrical Circle of ASEB; Rural Electrification work in Saran-Siwan District



of Bihar under Rajiv Gandhi Grameen Vidyutikaran Yojana; Cabling, Earthing & Lightning Protection system for 1 x 500 MW Birsinghpur STPP Unit-5 of BHEL; 2 x 250 MW Mejia TPS Units 5 & 6 of DVC from BHEL; Fuel Oil Handling system package for 2 x 250 MW Mejia TPS Unit 5 & 6 of DVC from BHEL; AND Fuel Oil Handling system package and Condensate Storage Tank package for Amarkantak TPS of MPEB from BHEL are progressing satisfactorily and expected to be completed as per schedule.

During the year, the company has bagged many prestigious orders. The major amongst them are Fuel Oil Unloading and Storage System & Station Piping Package for Barh at STPP (3x660 MW) of NTPC Ltd.; Transmission System Improvement Project for 400/220/132KV Sub-station at Gajwel of APTRANSCO; Rural Electrification Works in Gopalganj District of Bihar under "Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)" from PGCIL; 132 KV Infrastructure at Borjora (Extn.) Sub-station of DVC; Misc. Tanks Package for 2x210 MW, Unit 4&5 at Bakreswar TPS (MP-3), W.B. from BHEL; Construction Power System (Part-A) for Bina Refinery Project at Bina (M.P.) for Bharat Oman Refinery Ltd.; Yard Piping (Pkg. A-09) for CPP, Phase-2 expansion of NALCO at Angul; Cabling, Earthing & Lightning Protection System for 2x250MW, Chandrapura TPS Unit # 7 & 8 of DVC from BHEL; Aluminium Bus Bars (Part-A, Part-C and Part-D) at Smelter Plant, Angul for Phase-2 Expansion of NALCO; Substation Package (Package – A & Package- D) for Transmission System associated with Bihar Sub Transmission System, Phase-II, Part-I Project of Bihar State Electricity Board (BSEB) from PGCIL; AND 40% Fixed Series Compensation Package for 400KV D/C Khandwa-Seoni Transmission Line at Khandwa Substation from PGCIL.

Your 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

Accelerating economic growth and achieving higher standards of living depend upon the availability of adequate and reliable power at an affordable price. Power is a critical infrastructure for economic development and for improving quality of life. The country is plagued by power shortages on account of inadequate generation capacity. Based on the projections for demand of power in the 16th Electric Power Survey, over 1,00,000 MW additional generation capacity needs to be added by 2012 to bridge the gap between demand and supply of power.

There was a shortfall of 21000 MW of capacity addition during the 10th Plan. Ministry of Power has taken a comprehensive and realistic review of various Power Projects which could not be completed during the 10th Plan, to commission the same in the first 2 years of the current plan. Accordingly, target for the

current year is 19000 MW. Further, a capacity addition target of around 64000 MW is envisaged during the 11th Plan. The Ministry of Power plans to award all the projects of 11th Plan during the current year itself so that the envisaged capacity of the 11th Plan is achieved realistically within the planned schedule. An integrated approach, including capacity addition through nuclear and non-conventional energy has been adopted for optimal development of electricity energy. It is estimated that nearly Rs. 8,00,000 crores of investments would be needed for building over 1,00,000 MW of additional power capacity.

In order to accelerate rural electrification, it has been proposed to treat it as a Basic Minimum Service in the Prime Minister's Gramodaya Yojana. The Power Ministry also taking a number of measures under the Rajiv Gandhi Grameen Vidyutikaran Yojana to complete electrification of 62,000 villages by 2007. Further, the Finance Minister in his budget speech has proposed to increase the budgetary support for Accelerated Power Development and Reforms Programme from Rs. 650 crores to Rs. 800 crores and Rajiv Gandhi Grameen Vidyutikaran Yojana from Rs. 3000 crores to Rs. 3983 crores. He also announced that the power ministry has already awarded 2 (two) Ultra Mega Power Projects and seven more UMPPs are under process. He also announced that the ministry has taken initiatives facilitating setting up of merchant power plants by private developers and private participation in transmission projects.

Your company is well poised to make significant gains from the execution of large turnkey contracts in the various sub segments of the power sector and has already bagged large and prestigious contracts in this segment which are currently under execution. Our order book for the transmission & distribution segment will remain robust in the foreseeable future.

Your company has taken all possible steps and participated various tenders, including tenders in the Repairs and Maintenance segment and also bagged many prestigious Orders in the face of stiff competition.

DIRECTORS

Shri Ajay Relan (Nominee of Citigroup Venture Capital International Growth Partnership Mauritius Limited) was appointed as an Additional Director of the Company with effect from 22nd November, 2006 and his appointment will be regularised in the ensuing Annual General Meeting.

Shri V. D. Mohile, Director who retires by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm

- i) that in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

DIRECTORS' REPORT (Contd.)

- 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 31st March, 2007 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.

SHARE CAPITAL

During the year the Company has made preferential allotment of 80,00,000 Equity Shares of Rs. 2/- each at a premium of Rs. 68/- per share and 8,00,000 Warrants (to be converted into equity shares within 18 months of allotment) at a price of Rs. 80/- per warrant to Citigroup Venture Capital International Growth Partnership Mauritius Limited and its associated Trustees and 8,00,000 Warrants to a Promoter Group Company in compliance with the guidelines prescribed by the Securities and Exchange Board of India, resulting in increase in the Issued, Subscribed and Paid up Capital to Rs. 11,09,82,400 comprising 55491200 Equity Shares of Rs.2/- each which was approved by the Shareholders at the Extra Ordinary General Meeting held on 19th October, 2006.

LISTING OF SHARES WITH NSE

The Equity Shares of the Company have been listed with the National Stock Exchange of India Limited on and from 02.04.2007.

CORPORATE GOVERNANCE

The Company strongly believes in better Corporate Governance

Place : Kolkata
Dated : The 12th day of June, 2007

and all efforts have been made to adhere to the same. A separate report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed.

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 (under deemed export)	—	Rs. 592.02 lacs
Foreign Exchange Outgo	—	Rs. 205.71 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 for their continued support to the Company.

For and on behalf of the Board of Directors

P.P.GUPTA : *Managing Director*
V.D.MOHILE : *Director*



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, 2007.

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.

Place : Kolkata
Dated : The 12th day of June, 2007

For and on behalf of the Board of Directors

P. P. GUPTA : *Managing Director*
V. D. MOHILE : *Director*

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company firmly believes in good Corporate Governance which is based on commitment to excellence, customer satisfaction, maximizing stakeholders value and social responsibility through efficient management, transparency, trust and accountability. To achieve its objective and sustained growth, the Company is encouraging professionalism, integrity and prudent business practices within the organization.

Board of Directors

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

Seven meetings of the Board have been held during the year on 28.04.2006, 05.07.2006, 29.07.2006, 23.09.2006, 19.10.2006, 22.11.2006 and 31.01.2007.

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

Name of the Director	Category	No. of other Directorships	No. of other Committee Positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting
			Chairman	Member		
Mr. P.P. Gupta Managing Director	Executive	2	—	—	7	Yes
Mr. K.M.Poddar Director	Independent Non-Executive	1	—	—	5	No
Mr. V.D. Mohile Director	Independent Non-Executive	1	—	—	6	Yes
Mr. K. Vasudevan Director	Independent Non-Executive	1	2	—	6	Yes
Mr. K. K. Rai# Director	Independent Non-Executive	2	—	2	5	Yes
Mr. Ajay Relan\$ Nominee Director	Non-Executive	11	—	—	1	N.A.

Appointed as an Additional Director (Independent) w.e.f. 29th July, 2006.

\$ Mr. Ajay Relan (Nominee of Citigroup Venture Capital International Growth Partnership Mauritius Limited) was appointed as an Additional Director of the Company with effect from 22nd November, 2006.

Details of Directors seeking appointment/reappointment

Mr. Ajay Relan, aged about 52 years is the Managing Director of Citigroup Venture Capital International in India. He holds an MBA degree from Indian Institute of Management (IIM), Ahmedabad. Mr. Relan is in the Board of number of leading Indian companies. Prior to his current assignment, he was CEO of Citicorp Securities & Investments Limited. He has several years of experience in Corporate & Investment Banking in India and abroad. He was appointed as an additional director by the Board and seeking confirmation of his appointment at the ensuing Annual General Meeting.

Mr. K. K. Rai, aged about 62 years is a Bachelor of Arts and a member of C.A.I.I.B. He is a retired Banking professional having 40 years of Banking experience and had held important portfolios. He was the Executive Director of Allahabad Bank. Mr. Rai's appointment was confirmed at the Annual General Meeting held on 23.09.2006. He holds 0.001% shares of the Company.

Mr. V. D. Mohile, aged about 74 years is a B. E. (Electrical & Mechanical), Post Graduate Diploma in Industrial Management. He was the General Manager in Bharat Heavy Electricals Limited before retirement and has got 50 years of varied experience. Mr. Mohile holds 0.016% shares of the Company and is retiring by rotation, being eligible seeking reappointment.

REPORT ON CORPORATE GOVERNANCE (Contd.)



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.

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 31st March, 2007.

Audit Committee

The Audit Committee comprises four Non-Executive Independent Directors and One Non-Executive Director 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. Ajay Relan	-	Non-Executive	-	Member

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

Five meetings of the Audit Committee were held on 28.04.2006, 05.07.2006, 29.07.2006, 19.10.2006 and 31.01.2007. The attendance by members are as follows :

Name	Number of Attendance
Mr. K. Vasudevan, Chairman	5 (Five)
Mr. K. M. Poddar, Member	4 (Four)
Mr. V. D. Mohile, Member	4 (Four)
Mr. K. K. Rai, Member	2 (Two)
Mr. Ajay Relan, Member	1 (One)

The Audit Committee was entrusted with the following powers :

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

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

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

Remuneration Committee

The Company does not have a Remuneration Committee. The Board of Directors determines the remuneration of Directors, subject to the approval of shareholders, if necessary.

Shareholders'/ Investors' Grievance Committee

The Shareholders'/ Investors' Grievance Committee comprises three Non-Executive Independent Directors. The Chairman is Mr. K. M. Poddar and the other members are Mr. K. Vasudevan and Mr. V. D. Mohile.

During the year one complaint was received by the Company which was suitably resolved to the satisfaction of the Shareholder. Mr. N. Brahma, Company Secretary is the Compliance Officer.

To expedite the process of transfer / transmission of physical shares which are very negligible, a Share Transfer Committee has been formed. The committee shall approve the share transfers / transmissions and a summary of transfer / transmission shall be placed before the Board at regular intervals.

REPORT ON CORPORATE GOVERNANCE (Contd.)**General Body Meetings**

Particulars of General Body Meetings for the last three years :

Financial Year Ended	Day & Date	Venue	Time	No. of Special Resolutions Passed
31st March, 2004 AGM	Saturday, 25th September, 2004	The Calcutta School of Music, 6B, Sunny Park, Kolkata-19	11 a.m.	3
31st March, 2005 AGM	Saturday, 17th September, 2005	The Calcutta School of Music, 6B, Sunny Park, Kolkata-19	11 a.m.	1
31st March, 2006 AGM	Saturday, 23rd September, 2006	The Calcutta School of Music, 6B, Sunny Park, Kolkata-19	11 a.m.	1
EGM	Saturday, 18th March, 2006	The Calcutta School of Music, 6B, Sunny Park, Kolkata-19	10.30 a.m.	3
EGM	Saturday, 19th October, 2006	Bharatiya Bhasa Parishad 36A, Shakespeare Sarani, Kol-17	3.00 p.m..	1
EGM	Saturday, 13th January, 2007	The Calcutta School of Music, 6B, Sunny Park, Kolkata-19	10.30 a.m.	1

No special resolutions were passed in the last year through postal ballot.

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

Disclosures

1. There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, directors or the management or their relatives etc. (except the payment of remuneration to the Managing Director) during the year, that may have potential conflict with the interest of the Company at large.
2. There were no non-compliance by the Company during the last three years on any matter related to the capital markets and no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.
3. No treatment different from the prescribed Accounting Standard has been followed in the preparation of the financial statements.
4. The Board assesses the risk on a regular basis and advises the steps and procedures for its minimization.
5. The Company has not raised any amount through public issues, rights issues, etc. during the year. However, the Company has raised money by private placement/preferential allotment of equity shares and proper disclosure has been made in the Annual Reports.
6. A Management Discussion and Analysis Report is added to the directors report and forms part of this Annual Report.

Means of communication

The details of publication of Quarterly Results are as under :

Business Standard	-	All India Edition
Aajkaal (Regional)	-	Kolkata

The Quarterly Results have also been sent to the Stock Exchanges pursuant to the listing agreement and also filed electronically in the EDIFAR system of SEBI. Further, the financial and other informations are also available at the Company's website www.techno.co.in.

General Shareholder Information

1. The 44th Annual General Meeting is scheduled to be held on 22nd September, 2007 at 10.30 a.m. at "The Calcutta School of Music", 6B, Sunny Park, Kolkata-700019.
2. Financial Year : April to March
3. Financial Calendar (Reporting of Financial Results) : By last week of the month subsequent to the ending month of the quarter.
4. Date of Book Closure : From 18th September, 2007 to 22nd September, 2007 (both days inclusive)
5. Dividend Payment Date : Within 30 days of declaration

REPORT ON CORPORATE GOVERNANCE (Contd.)



6. Listing on Stock Exchanges : Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.
The Calcutta Stock Exchange Association Limited
7, Lyons Range, Kolkata - 700001.
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.
(with effect from 2nd April, 2007)

7. Stock Code
- Bombay Stock Exchange Limited : 505397
- The Calcutta Stock Exchange
Association Limited : 030122
- National Stock Exchange of
India Limited : TECHNOELEC

8. Market Price Data :

Stock Exchange		BSE	
Month		High	Low
2006	April	83.50	66.35
	May	83.80	59.30
	June	62.50	52.00
	July	67.00	49.90
	August	66.90	56.35
	September	86.00	55.40
	October	95.30	72.30
	November	106.45	82.15
	December	148.45	97.00
2007	January	149.30	114.55
	February	136.00	87.50
	March	107.90	78.30

The shares of the Company have not been traded in The Calcutta Stock Exchange Association Limited during the financial year ended 31st March, 2007.

The shares have been listed with NSE with effect from 2nd April, 2007.

9. Comparison of Stock Performance with BSE Sensex :

Month	Price at BSE			BSE Sensex		
	Opening	Closing	Change (%)	Opening	Closing	Change (%)
2006 April	76.05	80.25	5.52	11342.96	12042.56	6.17
May	83.60	61.90	-25.96	12113.78	10398.61	-14.09
June	61.00	55.50	-9.02	10472.46	10609.25	1.31
July	56.00	61.25	9.38	10616.97	10743.88	1.20
August	62.00	59.65	-3.79	10737.50	11699.05	8.96
September	57.55	75.65	31.45	11699.57	12454.42	6.45
October	73.00	87.50	19.86	12473.79	12961.90	3.91
November	87.00	98.95	13.74	12992.62	13696.31	5.42
December	101.30	125.55	23.94	13729.67	13786.91	0.42
2007 January	131.00	133.60	1.98	13827.77	14090.92	1.90
February	130.00	91.90	-29.31	14124.36	12938.09	-8.40
March	96.45	100.35	4.04	13013.74	13072.10	0.45

REPORT ON CORPORATE GOVERNANCE (Contd.)

10. Registrar and Transfer Agents : Niche Technologies Pvt. Limited
D-511, Bagree Market, 5th Floor
71, B.R.B.B. Road
Kolkata – 700001.
Tel : (033) 22357270 / 22357271
Fax : (033) 22156823

11. 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.

12. (i) Distribution of Shareholding as on 31st March, 2007 :

Slab	No. of Shareholders		No. of Shares	
	Number	Percentage (%)	Number	Percentage (%)
1 - 500	985	57.17	167539	0.30
501 - 1000	266	15.44	231290	0.42
1001 - 5000	334	19.38	824528	1.49
5001 - 10000	75	4.35	548051	0.99
10001 - 50000	46	2.67	919148	1.65
50001 - 100000	2	0.12	128195	0.23
100001 & Above	15	0.87	52672449	94.92
Total	1723	100.00	55491200	100.00

(ii) Shareholding Pattern as on 31st March, 2007 :

Shareholders (Category)	No. of Shares held	% of Total Shares
Promoters	28583420	51.51
Private Corporate Bodies	16205750	29.20
Indian Public	2715290	4.89
Foreign Institutional Investors (FIIs)	7934600	14.30
Mutul Funds	31381	0.06
Non-Resident Indians (NRIs)	15644	0.03
Others (Clearing Members)	5115	0.01
Total	55491200	100.00

13. The Shares of the Company are compulsorily traded in dematerialized 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 **INE470B01023**.

Details of dematerialization of shares are given below :-

Name of the Depository	No. of Shares	% of Total Share Capital
National Securities Depository Limited	38750478	69.83
Central Depository Services (India) Limited	575106	1.03



14. The Company has issued 16,00,000 Warrants (to be converted into equity shares) but has not issued any GDRs/ADRs or any other Convertible Instruments during the financial year.
15. Plant Locations : Not Applicable.
16. Address for Correspondence : Techno Electric & Engineering Company Limited
P-46A, Radha Bazar Lane
Kolkata – 700001.
Tel : (033) 2225-4671, 2225-4472, 2225-3276
Fax : (033) 2225-4478
E-Mail : techno@cal.vsnl.net.in

Compliance with Non-Mandatory Requirements

- (1) **The Board :** The Company does not have a Non-Executive Chairman. No tenure has been specified for the Independent Directors. At present, one Director on the Board have tenure in aggregate exceeding nine years.
- (2) **Remuneration Committee :** The Company does not have a Remuneration Committee. The Board of Directors determines the remuneration of Directors, subject to the approval of shareholders, if necessary.
- (3) **Shareholders' Rights :** Half-yearly declaration of financial performance including summary of the significant events are presently not being sent to the shareholders.
- (4) **Audit Qualifications :** There was no audit qualifications in the Company's financial statements during the year.
- (5) **Training of Board Members :** Presently the Company does not have such training programme.
- (6) **Mechanism for evaluating Non-executive Board Members :** Non-Executive Directors were being evaluated by their own peer in the Board Meeting.
- (7) **Whistle Blower Policy Mechanism:** The Company does not have a Whistle Blower Mechanism at present but access to the Audit Committee has not been denied to any executive/personnel.

TECHNO ELECTRIC & ENGINEERING CO. LTD.

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 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the company's management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an express 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 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 31st March, 2007, 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.

Centre Point
21, Old Court House Street
Kolkata -700 001
The 12th day of June, 2007

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



**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, Vice 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 yearended 31st March, 2007 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 that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that :
- i. there have been no significant changes in internal control over financial reporting during the year;
 - ii. there have been no significant changes in accounting policies during the year; and
 - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata
Date : 12th day of June, 2007

P. P. Gupta
Managing Director

P. K. Lohia
Vice 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 31st March, 2007.

Place : Kolkata
Date : 12th day of June, 2007

P. P. Gupta
Managing Director

i) Industry Structure and Developments :-

Power plays a critical role for the overall economic development of the nation for providing an improved and better living to the society at large. The installed capacity has been increased to over 1,00,000 MW and electrification in more than 5,00,000 villages has been completed. The power generation is still inadequate which leads to power shortages. The Ministry of Power has taken steps to increase power generation and accordingly fixed a capacity addition of 46,500 MW for the Public Sector Undertakings and 41,800 MW for State Electricity Boards and Private Sectors. Further, capacity addition through nuclear and non-conventional energy has been considered and an integrated approach has been adopted for the same. Also strategies are being formulated to develop hydro power sector by fully exploiting the country's hydro potential. To augment power supply in short / medium run the ministry of power has formulated strategies to increase generation through Renovation and Modernisation of old stations, utilization of surplus capacity of the captive power plants, conserve energy, evacuate power from the power surplus regions in the country. The transmission and distribution segment is facing some constraints for evacuating power from generating stations. Plans are being formulated to tackle this issue and a National Grid is proposed.

ii) Opportunities and Threats :-

In spite of problems confronting the power sector it has registered a steady growth of around 30% for the last three years and it is expected that the momentum will continue for the next 4-5 years. The Indian economy has grown over the last few years and the Central Government is planning to take the economy to greater heights. This will drastically increase the demand for power in the years to come. The development of energy infrastructure is essential to facilitate GDP growth. The initiative for setting up of Ultra Mega Power Projects by the Government is a step in the right direction. The Transmission and Distribution segment is lagging behind the Generation segment. More initiatives are required for bringing the Transmission and Distribution segment at par with the Generation segment and Ministry of Power is formulating strategies to achieve it. The Ministry has taken steps to set up an alternate payment security mechanism for the investors as an interim resource mobilization strategy. This sector has to be made financially strong to attract investments from outside. The Independent Power Transmission Company (IPTC) route, opened by the Government has started attracting more investments into this sector. Rural electrification has been given the top priority by the Government as is evident by the announcement made by the finance minister in the budget to enhance the budgetary support for the Rajiv Gandhi Grameen Vidyutikaran Yojana and the APDRP scheme. The environment is conducive for growth in the Sector thereby creating new opportunities for the Company. But, there is a threat of adverse changes in policies and regulations, which may affect the operations of the Company.

iii) Segment-wise Performance :-

The Company operates in a single business segment i.e. execution of power projects and comparatively performing better.

iv) Outlook :-

Although the power generation capacity in the country has increased substantially in recent years, it could not fulfil the growth in demand and growth in economy. India's power supply is continuously trailing demand. The demand supply gap is estimated at around 8% which increases upto 12.5% at peak load. Consequently, the generation is expected to grow followed by transmission. According to 16th Electric Power Survey, electric power supply in India needs to grow by more than 8% p.a. over the next 5 years much higher than the rate seen in the past decade. Hence, as India shall remain a power deficit nation, the power generation business is likely to grow further. The Distribution reforms was identified as the key area to bring about the efficiency and improved financial health for the power sector. To accelerate distribution sector reforms, the Accelerated Power Development and Reforms Programme (APDRP) scheme was approved. Techno is actively involved in projects under this scheme. The outlook in the power generation, transmission and distribution sector is robust which sends a positive signal for the companies involved these sectors.

v) Risks and Concerns :-

Techno is involved in execution of projects associated with Power Generation and Transmission on a turnkey basis, which is working capital intensive. Therefore, longer execution period, delay in completion of projects and cost overrun due to delay and equipment price rise because of strong commodity cycles etc. are the main areas of risks and concerns for the Company.



vi) Internal Control Systems and their adequacy :-

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

vii) Financial Performance :-

During the year, Net Sales / Income from operation have been substantially increased to Rs. 35264.82 lacs from Rs.25063.73 lacs during the previous year. The other income has also been increased to Rs.534.15 lacs from Rs.513.22 lacs. The profit after tax has also increased substantially from Rs.1222.25 lacs in the previous year to Rs.2802.04 lacs during the year.

viii) Human Resource Development and Industrial Relations :-

The Company has employed maximum number of employees in all departments to meet the growing business needs in the year under review. There are more than 350 employees as on 31st March, 2007 and is expected to grow further during the current year. Harmonious relationships have been maintained between the employees and the management at all levels and locations.

ix) 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. The factors that could make a difference to the Company's operations inter-alia includes the economic conditions, Government policies and other related / incidental factors.

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, 2007, the Profit & 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 and Profit & 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, 2007 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.9 of Part A of above Schedule regarding non-provision of accrued liability for leave encashment, to the extent indicated therein, Note No. 8 of Part B of Schedule 13 regarding change in the method of accounting for investments and consequential effects on value of investment and also profit for the year to the extent indicated therein and Note No. 9 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 & 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, 2007 and the Profit & 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 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, Clause 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 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 and 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable.
7. In our opinion, the Company has an Internal Audit system 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, 2007 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The Company has neither accumulated losses as at 31st March, 2007 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 institutions or banks 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 prima 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 banks 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 public issue 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 12th day of June, 2007

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, 2007

	<u>Schedule</u> No.	<u>31st March, 2007</u>		<u>31st March, 2006</u>	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	11,09,82,400		9,49,82,400	
Reserves & Surplus	2	<u>1,05,45,89,051</u>		<u>26,28,45,853</u>	
			1,16,55,71,451		35,78,28,253
Loan Funds	3		<u>13,00,679</u>		<u>17,23,462</u>
			<u>1,16,68,72,130</u>		<u>35,95,51,715</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	4	8,23,17,377		7,77,91,621	
Less: Depreciation		<u>4,12,56,709</u>		<u>3,90,97,958</u>	
Net Block			4,10,60,668		3,86,93,663
Investments	5		69,73,15,425		12,24,02,604
Current Assets, Loans & Advances	6				
A. Current Assets		83,62,75,930		67,19,91,880	
B. Loans & Advances		<u>10,06,66,548</u>		<u>5,14,17,474</u>	
		<u>93,69,42,478</u>		<u>72,34,09,354</u>	
Less: Current Liabilities & Provisions	7				
A. Current Liabilities		46,83,84,503		49,45,51,148	
B. Provisions		<u>3,42,03,797</u>		<u>2,49,20,271</u>	
		<u>50,25,88,300</u>		<u>51,94,71,419</u>	
Net Current Assets			43,43,54,178		20,39,37,935
Deferred Tax Assets/(Liabilities)	8		(58,58,141)		(54,82,487)
			<u>1,16,68,72,130</u>		<u>35,95,51,715</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 12th day of June, 2007		For S. S. KOTHARI & CO. Chartered Accountants (R. N. BARDHAN) Partner Membership No.17270		N. BRAHMA Company Secretary	P. P. GUPTA Managing Director V. D. MOHILE Director

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2007**



	<u>Schedule</u>	<u>2006-2007</u>	<u>2005-2006</u>
	No.	Rs.	Rs.
INCOME			
Operating Income	9	3,52,64,81,944	2,50,63,72,711
Other Income	10	5,34,14,526	5,13,22,406
		<u>3,57,98,96,470</u>	<u>2,55,76,95,117</u>
EXPENDITURE			
(Increase)/Decrease in Inventories	11	(14,19,311)	8,59,252
Operative, Administrative & Other Expenses	12	3,15,42,62,512	2,37,14,70,776
Interest		18,46,278	21,79,600
Insurance On Keymen Policy		50,55,285	50,55,285
Depreciation		54,51,601	46,04,266
		<u>3,16,51,96,365</u>	<u>2,38,41,69,179</u>
PROFIT			
Profit before Taxation		41,47,00,105	17,35,25,938
Provision for Taxation			
Current Tax		13,07,50,000	4,90,60,000
For earlier years		(34,655)	89,025
Deferred Income Tax		3,75,654	(5,02,835)
Fringe Benefit Tax		32,50,000	26,00,000
Security Transaction Tax		1,54,943	54,818
Profit after Taxation		28,02,04,163	12,22,24,930
Balance brought forward		81,288	17,094
		<u>28,02,85,451</u>	<u>12,22,42,024</u>
APPROPRIATIONS			
Transfer to General Reserve		24,75,00,000	10,05,00,000
Proposed Dividend		2,77,45,600	1,89,96,480
Provision for Tax on Proposed Dividend		47,15,365	26,64,256
Surplus carried to Balance Sheet		3,24,486	81,288
		<u>28,02,85,451</u>	<u>12,22,42,024</u>
Earning Per Share (Basic & Diluted)		5.57	2.57
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 12th day of June, 2007	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> V. D. MOHILE <i>Director</i>

TECHNO ELECTRIC & ENGINEERING CO. LTD.

SCHEDULES TO THE ACCOUNTS

		31st March, 2007		31st March, 2006	
		Rs.	Rs.	Rs.	Rs.
1. SHARE CAPITAL					
Authorised					
7,49,00,000	Equity Shares of Rs. 2 each	14,98,00,000		14,98,00,000	
20,000	Preference Shares of Rs. 10 each	2,00,000		2,00,000	
			<u>15,00,00,000</u>		<u>15,00,00,000</u>
Issued, Subscribed and Paid up					
5,54,91,200	Equity Shares of Rs. 2 each Fully Paid up (Previous year -4,74,91,200 Equity Shares of Rs 2 each)		<u>11,09,82,400</u>		<u>9,49,82,400</u>
			<u>11,09,82,400</u>		<u>9,49,82,400</u>
NOTES					
(i) Issued Subscribed and Paid up Capital includes :					
(a) 2,95,000 Equity Shares of Rs.2 each, allotted as fully paid-up pursuant to a contract without payment being received in cash.					
(b) 1,31,92,000 Equity Shares of Rs.2 each, allotted as fully paid-up Bonus Shares on 21.12.2004 by capitalisation of share premium account					
(c) 2,11,07,200 Equity Shares of Rs.2 each, allotted as fully paid-up Bonus Shares on 04.11.2005 by capitalisation of share premium account and free reserves.					
(d) Pursuant to the Special Resolution passed at the Extra Ordinary General Meeting of Shareholders on 19th October, 2006, and in accordance with the guidelines issued by SEBI, the Company allotted on 22nd November, 2006, 80,00,000 fully paid up equity shares of Rs.2 each, at a premium of Rs.68 per share on Preferential allotment basis to Citigroup Venture Capital International Growth Partnership Mauritius Ltd. and its associated trustees. The shares are under lock-in for one year from the date of allotment.					
(ii) Pursuant to the Special Resolution passed at the Extra Ordinary General Meeting of Shareholders on 19th October, 2006, the Company has also allotted 16,00,000 Warrants at a price of Rs.80 per warrant equivalent to Rs.1280 lacs to Citigroup Venture Capital International Growth Partnership Mauritius Ltd., its associated trustees and a Promoter Group Company. The Warrants are convertible at a future date into equal number of equity shares of face value Rs.2 each, at a premium of Rs.78 per share. Citigroup Venture Capital International Growth Partnership Mauritius Ltd. and its associated trustees and the Promoter Group Company are entitled to subscribe to these warrants in one or more tranches within 18 months from the date of allotment of Warrants subject to the completion of predetermined conditions. The Warrants are lock-in for one year in case of Citigroup Venture Capital International Growth Partnership Mauritius Ltd. and its associated trustees and three years in case of the Promoters Group Company. As required by SEBI guidelines, Citigroup Venture Capital International Growth Partnership Mauritius Ltd. and its associated trustees and Promoter Group Company have deposited Rs.128 lacs, an amount equivalent to 10% of total consideration and the same is shown as Advance against Options & Warrants Granted under Current Liabilities.					
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				3,30,16,000	
Less : Adjusted against Issue of Bonus Shares				<u>3,30,16,000</u>	
Add : Addition during the year		<u>54,40,00,000</u>	54,40,00,000		
General Reserve :					
As per Last Account		26,27,58,565		17,14,56,965	
Less : Adjustment against issue of Bonus Shares				<u>91,98,400</u>	
		<u>26,27,58,565</u>		<u>16,22,58,565</u>	
Add : Transferred from Profit & Loss Account		<u>24,75,00,000</u>	<u>51,02,58,565</u>	<u>1,05,42,64,565</u>	26,27,58,565
Profit & Loss Account :					
Balance as per annexed Account				<u>3,24,486</u>	<u>81,288</u>
			<u>1,05,45,89,051</u>		<u>26,28,45,853</u>
3. LOAN FUNDS					
Secured Loans :					
i) From Banks			<u>13,00,679</u>		<u>17,23,462</u>
			<u>13,00,679</u>		<u>17,23,462</u>

SCHEDULES TO THE ACCOUNTS

4. FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 31st March 2006	Additions during the year	Sales/Adjustment during the year	Total upto 31st March 2007	Upto 31st March 2006	For the year	On Sales/Adjustment during the year	Total upto 31st March 2007	As at 31st March 2006	As at 31st March 2007
	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	5,33,427	24,059	—	5,57,486	1,62,842	1,86,901
Non-Factory Building	77,81,235	—	—	77,81,235	7,75,989	1,26,834	—	9,02,823	68,78,412	70,05,246
Plant & Machinery	3,15,56,991	13,32,358	29,81,050	2,99,08,299	1,70,35,222	10,37,845	27,15,572	1,53,57,495	1,45,50,804	1,45,21,769
Office Equipment	1,97,75,660	44,36,030	93,500	2,41,18,190	1,20,09,152	29,13,971	87,620	1,48,35,503	92,82,687	77,66,508
Furniture & Fixture	39,83,157	1,92,087	—	41,75,244	35,06,720	1,50,996	—	36,57,716	5,17,528	4,76,437
Construction Vehicle	61,95,359	5,35,240	3,40,700	63,89,899	26,16,990	5,17,350	2,92,185	28,42,155	35,47,744	35,78,369
Vehicle	76,56,139	17,54,162	3,08,871	91,01,430	26,20,458	6,80,546	1,97,473	31,03,531	59,97,899	50,35,681
Total	7,77,91,621	82,49,877	37,24,121	8,23,17,377	3,90,97,958	54,51,601	32,92,850	4,12,56,709	4,10,60,668	3,86,93,663

Figures for the

Previous year 6,87,02,802 1,05,41,098 14,52,279 7,77,91,621 3,53,23,078 46,04,266 8,29,386 3,90,97,958 3,86,93,663

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. 71,96,669) 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	2007		2006	
	Rs.	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: *					
HSBC Mutual Fund	10	—	—	51,26,385	5,12,63,850
ING Vysya Mutual Fund	10	1,00,00,000	10,00,00,000	—	—
Fully Paid Bonds: *					
9.5 % NTC Tax Free Bonds, 2006	1,00,000	—	—	100	1,03,59,071
12 % GEB Bonds, 2009	10,00,000	—	—	51	5,66,42,137
9.34% State Bank of Travancore Perpetual Bonds	10,00,000	106	10,62,43,800	—	—
9.45% Union Bank of India Perpetual Bonds	10,00,000	241	24,12,37,600	—	—
8.75% Indian Railway Finance Corpn Bonds	10,00,000	216	21,70,80,000	—	—
11.50% Rajasthan State Finance Corp. SLR Bonds	10,00,000	5	52,36,000	—	—
0% IIBI Deep Discount Bonds	1,000	645	8,38,500	—	—
			<u>67,23,36,670</u>		<u>11,99,65,828</u>
Quoted					
Fully Paid-Equity Shares:					
Spentex Industries Ltd	10	30,954	18,51,678	—	—
GIC Housing Finance Ltd	10	1,03,000	41,04,532	35,000	13,84,532
Punjab Woolcombers Ltd	10	2,350	39,904	2,350	39,904
Ascu Arch Timber Protection Ltd.	10	50,617	10,12,340	50,617	10,12,340
IDBI Ltd	10	23,000	20,14,073	—	—
National Aluminium Co.Ltd	10	45,000	1,14,89,293	—	—
Jaiprakash Associates Ltd	10	10,500	44,66,935	—	—
			<u>2,49,78,755</u>		<u>24,36,776</u>
			<u>69,73,15,425</u>		<u>12,24,02,604</u>
Aggregate Value of Unquoted Investments			67,23,36,670		11,99,65,828
Aggregate Value of Quoted Investments					
Book Value			2,49,78,755		24,36,776
Market Value			2,48,57,259		23,21,314
* Represents Short term Investment					

SCHEDULES TO THE ACCOUNTS



	<u>31st March, 2007</u>		<u>31st March, 2006</u>	
	Rs.	Rs.	Rs.	Rs.
6. CURRENT ASSETS, LOANS AND ADVANCES				
A. Current Assets :				
Inventories				
(As per Inventories taken, valued and certified by Management)				
Contract Work-in-Progress (Refer Note No. 3 of Part B of Schedule 13)		20,98,460		6,79,149
Sundry Debtors				
(Unsecured & Considered Good)				
Debts outstanding for a period exceeding six months	31,15,031		34,14,652	
Others	<u>28,88,44,349</u>	29,19,59,380	<u>16,75,24,656</u>	17,09,39,308
Retention Money Receivable (Unsecured & Considered Good)				
Outstanding for a period exceeding six months	4,73,89,721		3,15,03,954	
Others	<u>14,79,88,593</u>	19,53,78,314	<u>7,41,14,174</u>	10,56,18,128
Cash and Bank Balances				
Cash in hand (As certified)		37,06,008		36,29,397
Balance with Scheduled Banks				
On Current Account	15,66,77,018		19,67,80,486	
On Fixed Deposits	18,64,27,810		19,40,56,472	
On Margin Deposit	<u>28,940</u>	<u>34,31,33,768</u>	<u>2,88,940</u>	<u>39,11,25,898</u>
		<u>83,62,75,930</u>		<u>67,19,91,880</u>
B. Loans and Advances				
(Unsecured & Considered Good)				
Advances recoverable in cash or in kind or for value to be received		9,22,31,157		4,78,79,291
Deposits		<u>84,35,391</u>		<u>35,38,183</u>
		<u>10,06,66,548</u>		<u>5,14,17,474</u>

TECHNO ELECTRIC & ENGINEERING CO. LTD.

SCHEDULES TO THE ACCOUNTS

	<u>31st March, 2007</u>	<u>31st March, 2006</u>
	Rs.	Rs.
7. CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities :		
Offered to Deities Shree Ganeshji	160	149
Sundry Creditors	29,75,12,596	16,07,96,011
Advance Received from Customers	15,77,48,198	33,35,15,906
Advance against Options & Warrants Granted (Refer Note No. (ii) of Schedule 1)	1,28,00,000	—
Unpaid Dividend	3,23,549	2,39,082
	<u>46,83,84,503</u>	<u>49,45,51,148</u>
B. Provisions :		
Taxation		
Income Tax (Net of Advance Tax & Tax Deducted at Source Rs. 17,83,53,768)	14,56,232	16,68,355
Fringe Benefit Tax (Net of Advance Tax Rs. 55,63,400)	2,86,600	15,91,180
Proposed Dividend	2,77,45,600	1,89,96,480
Tax on Proposed Dividend	47,15,365	26,64,256
	<u>3,42,03,797</u>	<u>2,49,20,271</u>
8. DEFERRED TAX ASSETS/(LIABILITIES)		
Deferred Tax Liabilities :		
Depreciation on Fixed Assets	(58,58,141)	(54,82,487)
	<u>(58,58,141)</u>	<u>(54,82,487)</u>
	<u>2006-2007</u>	<u>2005-2006</u>
	Rs.	Rs.
9. OPERATING INCOME		
Sales	3,52,64,81,944	2,50,63,72,711
	<u>3,52,64,81,944</u>	<u>2,50,63,72,711</u>
10. OTHER INCOME		
Dividend	1,27,29,371	1,03,81,565
Interest:		
On Loans and Advances	30,32,384	58,80,874
On Investments	2,48,58,862	76,918
On FDR	84,53,590	1,01,94,727
Profit on Sale of Fixed Assets (Net)	2,74,230	—
Profit on Sale of Investments (Net)	39,95,138	2,46,54,964
Miscellaneous Receipts	70,951	1,33,358
	<u>5,34,14,526</u>	<u>5,13,22,406</u>

SCHEDULES TO THE ACCOUNTS



	<u>2006-2007</u>		<u>2005-2006</u>	
	Rs.	Rs.	Rs.	Rs.
11. (INCREASE) /DECREASE IN INVENTORIES				
Opening Stock :				
Contract Work-in-Progress	6,79,149		15,38,401	
Less: Closing Stock :				
Contract Work-in-Progress	<u>20,98,460</u>	<u>(14,19,311)</u>	<u>6,79,149</u>	<u>8,59,252</u>
		<u>(14,19,311)</u>		<u>8,59,252</u>
12. OPERATIVE, ADMINISTRATIVE AND OTHER EXPENSES				
Materials, Stores and Services		2,77,27,37,333		2,09,35,58,389
Salaries, Wages, Gratuity & Bonus		8,50,64,666		5,07,53,361
Contributions to Provident & Other Funds		42,63,325		28,95,219
Staff Welfare		1,43,75,814		1,21,20,255
ESI Contribution		84,306		1,06,624
Freight & Handling Charges		5,61,39,249		4,55,94,182
Travelling & Conveyance		3,33,49,049		2,68,29,477
Rent		90,53,283		63,72,315
Rates & Taxes		1,00,761		1,21,482
Insurance		1,50,86,500		1,18,46,078
Sales Tax (Net)		2,23,34,022		2,44,34,074
Service Tax (Net)		90,30,834		58,13,154
Marketing Commission		11,00,000		5,51,000
Power & Fuel		43,48,179		25,45,836
Hire Charges		17,76,458		37,63,786
Repairs to Plant & Machinery		2,47,265		6,97,656
Managing Director's Remuneration		8,55,000		7,95,000
Directors' Fee		1,75,000		4,000
Auditors' Remuneration		1,95,699		76,987
Bank Charges		3,90,02,101		2,33,00,055
Loss on Sale of Fixed Assets (Net)		—		3,88,893
Share Issue Expenses Written Off		—		46,464
Exchange Rate Difference		1,408		2,26,697
Miscellaneous		8,49,42,260		5,86,29,792
		<u>3,15,42,62,512</u>		<u>2,37,14,70,776</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, 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. 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.

6. 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.

7. 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.

8. 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.

9. 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, 2007 is Rs. 30,93,331 (Previous year Rs. 18,06,549).

10. 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.



11. 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.

12. 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. 14,04,20,913 (Previous Year Rs. 8,85,58,163)
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, 2007 amounting to Rs. 85,28,175 (Previous Year Rs. 69,63,175) has been provided for in the accounts and paid to the Trustee of Gratuity Fund.
3. Materials and Stores purchased during the year include Stores Rs. 4,95,54,175 (Previous year Rs. 4,47,46,577). 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. 1,11,338 on Term Loans (Previous year Rs. 60,092)
5. The deferred tax Liabilities of Rs. 3,75,654 for the year has been recognised in the profit and Loss Account.
6. Secured Loans :-

	<u>2006-2007</u>	<u>2005-2006</u>
	Rs.	Rs.
(a) From Bank		
Secured against Hypothecation of specified Vehicles	13,00,679	17,23,462
(b) The Company has created a first charge on the fixed assets except specified Vehicle hypothecated against loan and floating charges on book debts in favour of Bankers of the Company and also Fixed Deposit Receipts of Rs. 5,74,74,652 are lodged with the Bankers of the Company as Margin.		

7. The Proceeds out of Preferential allotment of Shares and consideration received for allotment of Warrants have been utilized for working capital and business purposes.
8. In accordance with the Accounting Standards on Accounting of Investments (AS 13), the proportionate part of Interest included in the purchase price and sale price of Investments in bonds are treated separately by disclosing the net effect thereof under Interest Received and such interest are reduced from the purchase/sale prices of investments. As a result of this change in the method of Accounting for investments as compared to earlier years, the value of investments in Bonds as on 31.03.07 stands decreased by Rs. 1,05,83,785 and the profit of the year stands increased by Rs. 1,07,41,234.
9. In the opinion of the management, diminutions in the value of certain long term Investments Rs. 15,37,628 (Previous year Rs. 1,69,430) are not permanent in nature and hence no provision has been made for the same.
10. Fixed Deposits amounting to Rs. 25,75,000 are lodged with clients as Security Deposits.
11. To the extent identified from available information, there is no amount due to SSI units as on 31st March, 2007.

TECHNO ELECTRIC & ENGINEERING CO. LTD.

SCHEDULES TO THE ACCOUNTS

12. Investments :

Investments purchased & sold during the year

	Units	Nos.	Face Value Rs.
HSBC Mutual Fund	"	15366642.366	10
ICICI Prudential Fund	"	16552876.296	10
SBI Mutual Fund	"	4403471.538	10
UTI Mutual Fund	"	29874.131	10
Reliance Mutual Fund	"	30423099.956	10
HDFC Mutual Fund	"	10920770.925	10
J. M. Financial Mutual Fund	"	83478346.388	10
ABN AMRO Mutual Fund	"	3015171.281	10
9.98% ICICI Bank Perpetual Bonds	Bonds	217	1000000
7.45% BOB Bonds	"	3	1000000
9.90% APSFC SLR Bonds	"	90000	100
11.30% HPIDB Bonds	"	1568	100000
11.30% KMDA SLR Bonds	"	3	2500000
7.92% Punjab SCR SLR	"	200	100000
10.85% IIBI Bonds	"	100	100000
8.85% Canara Bank Bonds	"	33	1000000
10.10% ICICI Bank Prepetual Bonds	"	124	1000000
11.50% IFCI SLR Bonds	"	2800	1000
7.70% IOB Bonds	"	5	1000000
8% IOB Bonds	"	22	1000000
9.45% Union Bank of India Perpetual Bond	"	92	1000000
11.50% ICICI Bank SLR Bonds	"	9400	1000
8.95% Central Bank of India Bonds	"	9	1000000
10.25% IIBI Bonds	"	188	100000
9.10% Bank of Maharashtra Bonds	"	24	1000000
8.75% IRFC Bonds	"	539	1000000
11.33% MSFC SLR Bonds	"	72	100000
6.50% KSFC Bonds	"	5	1000000
8.95% Central Bank of India Bonds	"	118	1000000
11.50% TNHSB SLR Bonds	"	5	1000000
11.50% HPSEB SLR Bonds	"	20	500000
8.78% PFC Bonds	"	17	1000000
8.70% IIFCL Bonds	"	40	1000000
8.95% Union Bank of India Bonds	"	8	1000000
9% NPCIL Tax Free Bonds	"	1500	100000
11.50% NCDC SLR Bonds	"	6	1000000
8.20% NPCIL Tax Free Bonds	"	205	100000
5.70% PFC Bonds	"	78	1000000
11.50% Punjab SFC SLR Bonds	"	100	100000
11.50% Rajashtan SFC SLR Bonds	"	3	1000000
9.70% PGC Bonds	"	13	1250000
Karnataka Bank	Shares	17000	10

SCHEDULES TO THE ACCOUNTS



	<u>2006-2007</u>		<u>2005-2006</u>		
13. Remuneration to Managing Director :	Rs.		Rs.		
Salary	8,55,000		7,95,000		
Contribution to Provident Fund	1,02,600		95,400		
Perquisites	42,030		71,236		
	<u>9,99,630</u>		<u>9,61,636</u>		
14. Remuneration to Auditors :					
Audit Fees	1,01,124		61,732		
Tax Audit Fees	11,236		5,612		
Certification Work	38,443		9,643		
Consultation Charges	44,896		—		
	<u>1,95,699</u>		<u>76,987</u>		
15. Additional Information :					
A. Materials bought & consumed for Job Work/Production excluding cost of services :					
	Unit	<u>2006-2007</u>		<u>2005-2006</u>	
		Qty.	Value	Qty.	Value
			Rs.		Rs.
Steel	M.T.	13,692	38,11,64,579	11,545	31,01,93,178
Cement	M.T.	15,597	6,30,49,857	17,677	5,91,87,335
Pipes & Tubes	MTR.	64,469	5,07,02,039	1,30,845	11,24,52,702
Sub-Station Structures	M.T.	4,982	24,12,63,658	1,900	6,40,63,982
Valves	Nos.	2,966	2,21,26,467	1,378	66,47,278
Insulators & Fittings	Nos.	10,23,029	17,30,19,581	2,02,840	4,94,85,614
Power & Control Cables and AAAC/ACSR Conductor	MTR.	1,45,10,647	45,55,06,885	62,57,394	26,61,02,532
Transformer	Nos.	4,346	38,78,15,495	1,691	29,03,73,752
Surge Arrestor	Nos.	19,970	2,82,21,376	4,816	76,82,182
Control, communication, metering and dataloging system	Nos.	77,995	14,32,71,455	5,390	19,40,33,014
Isolators	Nos.	11,135	6,46,19,671	4,593	3,53,21,858
Circuit Breaker	Nos.	396	15,33,52,275	270	6,36,65,405
PLCC Equipment	Nos.	44	1,18,87,141	37	50,49,125
Cable Tray and Flexible Support	Nos.	2,64,487	12,60,30,010	4,60,612	10,06,59,621
Distribution Board	Nos.	2,445	1,90,77,361	49	56,64,493
Motor & Pumps	Nos.	91	83,13,962	115	99,04,400
Psc Poles	Nos.	26,031	8,85,06,792	5,354	1,48,63,526
Steam Turbine	Nos.	—	—	1	6,14,19,853
DG Set	Nos.	3	45,70,306	5	1,67,47,059
Others			16,91,18,280	—	25,43,45,522
			<u>2,59,16,17,190</u>		<u>1,92,78,62,431</u>

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

TECHNO ELECTRIC & ENGINEERING CO. LTD.

SCHEDULES TO THE ACCOUNTS

B. Detail of Sales :	Unit	2006-2007		2005-2006	
		Qty.	Value Rs.	Qty.	Value Rs.
Mechanical Auxillary System	Nos.	10	20,43,81,009	7	19,89,88,121
Comprehensive Electrical System	Nos.	7	35,68,52,028	5	35,71,96,086
Sub-Station/Switchyard (EHT)	Nos.	16	83,93,76,597	10	38,97,85,977
Captive Power Plant & Balance of Plant	Nos.	2	3,28,62,755	2	43,21,99,891
Power Distribution Net Work (HT)	Nos.	8	2,05,21,93,934	8	1,01,69,43,833
Others			4,08,15,621		11,12,58,803
			<u>3,52,64,81,944</u>		<u>2,50,63,72,711</u>
C. Consumption of Imported and Indigenous Raw-Materials & Stores and the percentage thereof :					
		2006-2007		2005-2006	
		%	Value Rs.	%	Value Rs.
Indigenous		99	2,57,29,33,892	95	1,83,30,34,111
Imported		1	1,86,83,298	5	9,48,28,320
			<u>2,59,16,17,190</u>		<u>1,92,78,62,431</u>
			<u>2006-2007</u>		<u>2005-2006</u>
			Rs.		Rs.
D. CIF Value of Imports :					
Materials			1,86,83,298		9,01,60,043
Capital Goods			—		—
			<u>1,86,83,298</u>		<u>9,01,60,043</u>
E. Earnings in Foreign Exchange :					
Export of Goods					
Deemed Export Under					
Global Tender at Ex-works value.			5,92,01,898		6,00,07,044
			<u>5,92,01,898</u>		<u>6,00,07,044</u>
F. Expenditure in Foreign Currency :					
i) Travelling			9,31,201		1,86,008
ii) Technical Services			9,51,900		32,90,222
ii) Others			4,452		6,361
			<u>18,87,553</u>		<u>34,82,591</u>
16. Earnings Per Share :					
Profit/(Loss) after taxation as per Profit and Loss Account			28,02,04,163		12,22,24,930
Weighted average number of Equity Shares outstanding (Basic & Diluted)			5,03,40,515		4,74,91,200
Basic and diluted Earning Per Share in Rupees (Face Value Rs. 2 per Share)			5.57		2.57

SCHEDULES TO THE ACCOUNTS



17. 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 :

	For the year ended 31st March, 2007			For the year ended 31st March, 2006		
	Construction Rs.	Corporate Rs.	Total Rs.	Construction Rs.	Corporate Rs.	Total Rs.
A. REVENUE						
1. Sales	3,52,64,81,944	—	3,52,64,81,944	2,50,63,72,711	—	2,50,63,72,711
2. Others	70,951	5,33,43,575	5,34,14,526	1,33,358	4,09,94,321	4,11,27,679
3. Total Revenue	3,52,65,52,895	5,33,43,575	3,57,98,96,470	2,50,65,06,069	4,09,94,321	2,54,75,00,390
B. RESULT						
1. Segment result/Operating Profit before tax and interest	36,32,02,808	5,33,43,575	41,65,46,383	13,47,57,681	4,09,47,857	17,57,05,538
2. Interest expenses	—	—	18,46,278	—	—	21,79,600
3. Provision for Income tax	—	—	13,44,95,942	—	—	5,13,01,008
4. Net Profit	—	—	28,02,04,163	—	—	12,22,24,930
C. OTHER INFORMATION						
1. Segment assets	97,80,03,146	69,73,15,425	1,67,53,18,571	76,21,03,017	12,24,02,604	88,45,05,621
2. Segment liabilities	45,65,61,633	1,21,87,56,938	1,67,53,18,571	49,60,35,528	38,84,70,093	88,45,05,621
3. Capital expenditure	82,49,877	—	82,49,877	1,05,41,098	—	1,05,41,098
4. Depreciation	54,51,601	—	54,51,601	46,04,266	—	46,04,266
5. Non cash expenses other than depreciation	—	—	—	—	46,464	46,464

18. 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 Management Personnel

- b) Transactions during the year :

Name	Relationship	Services Received	Remuneration	Outstanding as at 31st March, 2007	Amount written off/written back
		Rs.	Rs.	Rs.	Rs.
Techno International Ltd.	Associates	— (1,72,245)	— (—)	— (—)	— (—)
Mr. P. P. Gupta (Managing Director)	Key Management Personnel	— (—)	9,99,630 (9,61,636)	— (—)	— (—)

Figures in Brackets relates to previous year

19. 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.

			2	5	8	9	8
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Balance Sheet Date

3	1	0	3	2	0	0	7
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State Code

2	1
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II Capital raised during the year (Amount in Rs. Thousand)

Public Issue	Right Issue																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L
						N	I	L											
						N	I	L											
Bonus Issue	Private Placement (Rs.)																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>6</td><td>0</td><td>0</td><td>0</td></tr></table>				1	6	0	0	0	
						N	I	L											
			1	6	0	0	0												

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

Total Liabilities	Total Assets																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>6</td><td>7</td><td>5</td><td>3</td><td>1</td><td>9</td></tr></table>		1	6	7	5	3	1	9	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>6</td><td>7</td><td>5</td><td>3</td><td>1</td><td>9</td></tr></table>		1	6	7	5	3	1	9		
	1	6	7	5	3	1	9												
	1	6	7	5	3	1	9												
Sources of Funds :																			
Paid-up Capital	Reserve & Surplus																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>1</td><td>1</td><td>0</td><td>9</td><td>8</td><td>2</td></tr></table>			1	1	0	9	8	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>1</td><td>0</td><td>5</td><td>4</td><td>5</td><td>8</td><td>9</td></tr></table>			1	0	5	4	5	8	9	
		1	1	0	9	8	2												
		1	0	5	4	5	8	9											
Secured Loans	Unsecured Loans																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>3</td><td>0</td><td>1</td></tr></table>				1	3	0	1	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L		
			1	3	0	1													
						N	I	L											
Application of Funds :																			
Net Fixed Assets	Investments																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>4</td><td>1</td><td>0</td><td>6</td><td>1</td></tr></table>				4	1	0	6	1	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>6</td><td>9</td><td>7</td><td>3</td><td>1</td><td>5</td></tr></table>				6	9	7	3	1	5	
			4	1	0	6	1												
			6	9	7	3	1	5											
+ - Net Current Assets	Misc. Expenditure																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>4</td><td>2</td><td>8</td><td>4</td><td>9</td><td>6</td></tr></table>				4	2	8	4	9	6	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L
			4	2	8	4	9	6											
						N	I	L											
Including Deferred Tax Liabilities 5858																			
Accumulated Loss																			
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L										
						N	I	L											

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

Turnover	Total Expenditure																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>3</td><td>5</td><td>7</td><td>9</td><td>8</td><td>9</td><td>6</td></tr></table>		3	5	7	9	8	9	6	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>3</td><td>1</td><td>6</td><td>5</td><td>1</td><td>9</td><td>6</td></tr></table>		3	1	6	5	1	9	6		
	3	5	7	9	8	9	6												
	3	1	6	5	1	9	6												
+ - Profit Before Tax	+ - Profit After Tax																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>4</td><td>1</td><td>4</td><td>7</td><td>0</td><td>0</td></tr></table>				4	1	4	7	0	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>8</td><td>0</td><td>2</td><td>0</td><td>4</td></tr></table>				2	8	0	2	0	4
			4	1	4	7	0	0											
			2	8	0	2	0	4											
Earning Per Share (Rs.)	Dividend Rate (%)																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>5</td><td>.</td><td>5</td><td>7</td></tr></table>				5	.	5	7	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>2</td><td>5</td></tr></table>							2	5			
			5	.	5	7													
						2	5												
(Basic & diluted)																			

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

Item Code No. (ITC Code)

N	O	T	A	P	P	L	I	C	A	B	L	E
---	---	---	---	---	---	---	---	---	---	---	---	---

 Product Description

N	O	T	A	P	P	L	I	C	A	B	L	E
---	---	---	---	---	---	---	---	---	---	---	---	---

Centre Point 21, Old Court House Street Kolkata - 700 001 The 12th day of June, 2007	For S. S. KOTHARI & CO. <i>Chartered Accountants</i> (R. N. BARDHAN) <i>Partner</i> Membership No.17270	P. P. GUPTA <i>Managing Director</i> V. D. MOHILE <i>Director</i>
	N. BRAHMA <i>Company Secretary</i>	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007



	<u>2006-2007</u>	<u>2005-2006</u>
	Rs.	Rs.
A. Cash Flow from Operating Activities :		
Net Profit before Tax and Extraordinary Items	41,47,00,105	17,35,25,938
Adjustments for :		
Depreciation	54,51,601	46,04,266
(Profit)/Loss on Sale of Fixed Assets	(2,74,230)	3,88,893
Share Issue Expenses Written off	—	46,464
Interest/Dividend Income	(4,90,74,207)	(2,65,34,084)
(Profit) /Loss on Sale of Investments (Net)	(39,95,138)	(2,46,54,964)
Interest Paid	18,46,278	21,79,600
Operating Profit before Working Capital Changes	36,86,54,409	12,95,56,113
Adjustments for :		
Trade and other receivables	(26,00,29,332)	(16,10,97,560)
Inventories	(14,19,311)	8,59,252
Trade Payables	(3,89,66,645)	6,77,22,236
Cash generated from operations	6,82,39,121	3,70,40,041
Interest Paid	(18,46,278)	(21,79,600)
Direct taxes Paid (Net of refunds)	(13,56,36,990)	(4,48,14,467)
Cash Flow before Extraordinary Items	(6,92,44,147)	(99,54,026)
Extraordinary Items	—	—
Net Cash Flow from Operating Activities	<u>(6,92,44,147)</u>	<u>(99,54,026)</u>
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(82,49,877)	(1,05,41,098)
Sale of Fixed Assets	7,05,500	2,34,000
(Increase)/Decrease in Investments	(57,09,17,683)	25,10,03,040
Interest Income	3,63,44,836	1,61,52,519
Dividend Income	1,27,29,371	1,03,81,565
Net Cash used in Investing Activities	<u>(52,93,87,853)</u>	<u>26,72,30,026</u>

TECHNO ELECTRIC & ENGINEERING CO. LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007**

	<u>2006-2007</u>	<u>2005-2006</u>
	Rs.	Rs.
C. Cash Flow from Financing Activities		
Proceeds from New Equity Issue	56,00,00,000	—
Proceeds from issue of Warrant	1,28,00,000	—
Proceeds from Borrowings	(4,22,783)	(38,20,178)
Dividend paid	(2,16,60,736)	(1,20,33,743)
Net Cash used in Financing Activities	<u>55,07,16,481</u>	<u>(1,58,53,921)</u>
Net Increase / (Decrease) in Cash & Cash Equivalents (A + B + C)	(4,79,15,519)	24,14,22,079
Opening Balance of Cash & Cash Equivalents	39,47,55,295	15,33,33,216
Closing Balance of Cash & Cash Equivalents	34,68,39,776	39,47,55,295

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 12th day of June, 2007	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> V. D. MOHILE <i>Director</i>
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NOTES



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