



REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The Company's philosophy on Corporate Governance includes right and equitable treatment of shareholders, protecting the interest of stakeholders, appropriate mix of skilled executive and non-executive directors on the Board, integrity and ethical behavior within the organization with an objective to achieve excellence and growth through efficient management, transparency, trust and accountability. Techno believes in proper implementation of the same, in true spirit, with an objective to ensure that available resources are fully utilised to meet the aspirations of all stakeholders. Also, Techno believes in proper disclosure, transparency and accountability, investor protection and compliance with laws, rules & regulations for the benefit of all stakeholders.

The Company is in full compliance with the provisions regarding Corporate Governance as entailed in Clause 49 of

the Listing Agreement and regulated by the Securities and Exchange Board of India (SEBI). The disclosures are as follows:

BOARD OF DIRECTORS :

The Board of Directors is constituted in compliance with Clause 49 of the Listing Agreement. The Board functions either as a full Board or through various Committees constituted to oversee specific operational areas. There are six members, out of which five members are Non-Executive Independent. The Company has an Executive Chairman (Managing Director).

As of March 31, 2014, there were four meetings of the Board during the year on May 18, 2013; August 03, 2013; October 28, 2013 and February 08, 2014. The names of the Directors, their attendance at Board Meetings during the year, attendance at last AGM and the number of other directorships and Board Committee memberships held by them at March 31, 2014 are listed in the following table:

Name of the Director	Director Identification Number	Category	No. of other Directorships*	No. of other Committee Positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting
				Member	Chairman		
Mr. P.P. Gupta Managing Director	00055954	Executive	2	-	-	4	Yes
Mr. K.M.Poddar Director	00028012	Independent Non-Executive	2	1	1	4	Yes
Mr. V.D. Mohile Director	00060785	Independent Non-Executive	1	-	-	3	Yes
Mr. K.Vasudevan Director	00018023	Independent Non-Executive	1	-	1	4	Yes
Mr. K. K. Rai Director	00629937	Independent Non-Executive	2	2	2	4	Yes
Mr. S. N. Roy Director	00408742	Independent Non-Executive	6	1	-	3	Yes
Mr. Ankit Saraiya#	02771647	Promoter Non-Executive	4	-	-	1	No

* This does not include Directorship in Private Companies.

Appointed as additional director w.e.f. 08th February, 2014.

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

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT:

As per the requirement of the Companies Act, 2013 all the independent directors on the board as on 1st April, 2014 shall be re-appointed for a tenure of 5 years.

In view of the said provision all the Non-Executive (independent) directors on the board as on 1st April, 2014, namely Mr. K. Vasudevan, Mr. K. K. Rai, Mr. V. D. Mohile, Mr. K. M. Poddar and Mr. S. N. Roy be appointed for a tenure of 5 years in the ensuing Annual General Meeting.

During the year, Mr. Ankit Saraiya was appointed as an additional director which shall be confirmed at the ensuing Annual General Meeting. A brief profile of Mr. Ankit Saraiya is given below:

Mr. Ankit Saraiya aged about 28 years residing at Flat - D, Block - C, 2B, Hastings Park Road, Kolkata - 700027 is a Bachelor of Science (Corporate Finance & Accounting) with Minor in Computer Information Systems from Bentley University in Waltham, Massachusetts, U.S.A with sound financial and commercial knowledge and experience of more than 4 years in the related field. He holds 1,08,000 shares in the Company.

DISCLOSURE ON RELATIONSHIP BETWEEN DIRECTORS:

The Directors have no relationship between themselves except as Board colleagues. However, Mr. Ankit Saraiya who is a Non-Executive Director is a relative of Mr. P. P. Gupta, Managing Director.

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. There is no other remuneration paid/payable to the Non-executive Directors except the sitting fees.

DIRECTORS' SHAREHOLDING:

As on March 31, 2014, Mr. P. P. Gupta, Mr. Ankit Saraiya, Mr. V. D. Mohile and Mr. K. K. Rai hold 1,53,000, 1,08,000, 9,302, and 1,000 equity shares of the Company respectively.

CODE OF CONDUCT:

All Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2014. The Code of Conduct is available at the official website of the Company at www.techno.co.in.

AUDIT COMMITTEE:

The Audit Committee is entrusted with the following powers:

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

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

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

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

Mr. K. Vasudevan	Chairman
Mr. S. N. Roy	Member
Mr. V. D. Mohile	Member
Mr. K. K. Rai	Member

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



As on March 31, 2014 four meetings of the Audit Committee were held on May 18, 2013; August 03, 2013; October 28, 2013 and February 08, 2014. The attendance by members are as follows:

Name	Number of Attendance
Mr. K. Vasudevan, Chairman	4 (Four)
Mr. S.N. Roy, Member	3 (Three)
Mr. V. D. Mohile, Member	3 (Three)
Mr. K. K. Rai, Member	4 (Four)

Mr. P. P. Gupta, Managing Director, Mr. P. K. Lohia, President (Finance), Mr. Deepak Bafna, General Manager (Accounts & Finance), representatives of the Statutory Auditors and Internal Auditors of the Company also attended the meetings.

NOMINATION AND REMUNE ON COMMITTEE:

The Company had constituted a Remuneration Committee which shall be reconstituted and be named as Nomination and Remuneration Committee comprising of three Independent Directors as per the provisions of the Companies Act, 2013, which shall formulate the policy for appointment of Directors and Remuneration including criteria for determining qualification, positive attributes and independence of a director and other matters as provided under sub-section (3) of section 178 of the Companies Act, 2013.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

GENERAL BODY MEETINGS:

Particulars of general body meetings for the last three years:

Financial year ended	Day and date	Venue	Time	No. of special resolutions passed
March 31, 2011 AGM	Friday, September 02, 2011	The Calcutta School of Music, 6B, Sunny Park, Kolkata-19	11.30 a.m.	-
March 31, 2012 AGM	Saturday, August 11, 2012	"Rotary Sadan", 94/2, Chowringhee Road, Kolkata -20	10.00 a.m.	1
March 31, 2013 AGM	Saturday, August 03, 2013	Bhartiya Bhasha Parisad, 36, Shakespeare Sarani, Kolkata-17	10.30 a.m.	1

POSTAL BALLOT:

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

SUBSIDIARY COMPANIES:

The Company has a material non-listed Indian subsidiary company, and an Independent Director of the Company is also

The Company had constituted a Shareholders / Investors Grievance Committee to address the grievance of Shareholders, Debenture holders etc. The Committee shall be reconstituted and be named as Stakeholders Relationship Committee comprising of three Non-Executive Directors. The Committee shall address the grievances of all stakeholders. During the year, the Company has not received any complaints.

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

SHARE TRANSFER COMMITTEE:

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

a Director of the subsidiary. The financial statement of the subsidiary was reviewed by the Audit Committee on a quarterly basis. The minutes of the subsidiary was placed before the Board of Directors and perused on regular basis. Further a statement of all significant transactions entered into by the unlisted subsidiary company is placed before the Company's Board as and when applicable.

DISCLOSURES:

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

MEANS OF COMMUNICATION:

The Company has established systems and procedures to enable its stakeholders to have access to the complete information about the company. Maximum information are available at the website of the Company (www.techno.co.in). The investors can send their complaints through "SCORES", a platform provided by SEBI or may send through email to desk.investors@techno.co.in.

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

Quarterly and annual results of the Company are published in widely circulated national newspapers - "The Hindu Business Line" and "Business Standard" and the local vernacular daily "Arthik Lipi". The quarterly compliance report on Corporate Governance as prescribed under Clause 49 of the Listing Agreement, the shareholding pattern of the Company as prescribed under Clause 35 of the Listing Agreement and Financial Results are also filed through NSE Electronic Application Processing (NEAP) System and BSE Listing Center.

GENERAL SHAREHOLDER INFORMATION:

- The 9th Annual General Meeting is scheduled to be held on 26th July, 2014 and the notice convening the same shall be sent to the shareholders within the time prescribed by the Companies Act.

2. **Financial year** : April to March

3. **Financial calendar**

Financial Year 2014-2015		
1	First quarter results	Within 45 days from June 30
2	Second quarter and half-yearly results	Within 45 days from September 30
3	Third quarter results	Within 45 days from December 31
4	Fourth quarter results	Within 60 days from financial year ending.

4. **Date of book closure** : The date of Book closure be intimated through stock exchanges, newspaper and with the notice convening the Annual General Meeting.

5. **Dividend payment date** : Within 15 days from the date of declaration at the AGM.



6. Listing on Stock Exchanges

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

Note: Annual Listing Fees for the year 2013-14 have been paid to all the Stock Exchanges as mentioned above.

7. Market Price Data

Stock Exchange	BSE			NSE		
	Month	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)
April, 2013	154.95	121.10	150,278	153.85	121.10	477,877
May, 2013	148.75	123.00	120,257	145.95	123.55	197,528
June, 2013	132.40	116.15	36,365	132.00	115.00	91,938
July, 2013	125.70	77.10	116,115	126.00	80.10	191,589
August, 2013	105.00	69.00	88,326	103.35	69.00	123,155
September, 2013	89.00	74.75	50,009	88.40	74.65	94,806
October, 2013	85.00	76.60	90,440	84.75	76.05	151,034
November, 2013	96.00	79.50	223,378	94.00	79.10	433,407
December, 2013	126.80	92.50	287,785	126.90	90.00	522,656
January, 2014	138.90	113.85	141,584	135.00	113.15	378,235
February, 2014	126.45	113.00	119,196	126.60	112.25	217,771
March, 2014	142.80	96.00	632,035	141.90	106.15	901,498

8 (i). Comparison of Stock Performance with BSE Sensex:

Month	Price at BSE			BSE Sensex		
	Opening	Closing	Change (%)	Opening	Closing	Change (%)
April, 2013	152.00	129.60	-14.74	18891	19504	3.25
May, 2013	130.00	127.65	-1.81	19459	19760	1.55
June, 2013	126.05	121.95	-3.25	19859	19396	-2.33
July, 2013	120.05	82.10	-31.61	19352	19346	-0.04
August, 2013	81.25	82.25	1.23	19443	18620	-4.24
September, 2013	82.45	82.20	-0.30	18692	19380	3.68
October, 2013	83.95	80.55	-4.05	19452	21165	8.80
November, 2013	82.05	93.15	13.53	21159	20792	-1.73
December, 2013	94.15	115.95	23.15	20771	21171	1.92
January, 2014	113.85	119.05	4.57	21222	20514	-3.34
February, 2014	118.45	117.15	-1.10	20479	21120	3.13
March, 2014	117.00	111.45	-4.74	21079	22386	6.20

8 (ii). Comparison of Stock Performance with NSE Nifty:

Month	Price at NSE			Nifty		
	Opening	Closing	Change (%)	Opening	Closing	Change (%)
April, 2013	153.85	130.05	-15.47	5697	5930	4.09
May, 2013	131.60	126.15	-4.14	5911	5986	1.26
June, 2013	125.10	121.85	-2.60	5997	5842	-2.59
July, 2013	120.70	83.80	-30.57	5834	5742	-1.58
August, 2013	84.00	81.25	-3.27	5777	5472	-5.28
September, 2013	81.25	81.00	-0.31	5480	5735	4.65
October, 2013	83.90	81.00	-3.46	5756	6299	9.43
November, 2013	81.80	90.30	10.39	6290	6176	-1.81
December, 2013	95.00	114.95	21.00	6171	6304	2.15
January, 2014	114.95	117.90	2.57	6324	6090	-3.71
February, 2014	121.50	116.00	-4.53	6059	6277	3.60
March, 2014	117.50	112.25	-4.47	6264	6704	7.02

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

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

11 (i). Distribution of Shareholding as on March 31, 2014:

Slab	No. of Shareholders		No. of Shares	
	Number	Percentage (%)	Number	Percentage (%)
1 - 500	3984	80.82	470845	0.82
501 - 1000	322	6.60	265575	0.47
1001 - 5000	430	8.80	990096	1.73
5001 - 10000	91	1.86	716283	1.25
10001 - 50000	59	1.21	1346716	2.36
50001 - 100000	10	0.20	563414	0.99
100001 & Above	25	0.51	52738271	92.38
	4885	100.00	57091200	100.00

11 (ii). Shareholding Pattern as on March 31, 2014:

Shareholders (Category)	No. of Shares held	% of Total Shares
Promoters	33843216	59.28
Bodies Corporate	17995996	31.52
Indian Public	3054126	5.35
Foreign Institutional Investors (FIIs)	1158507	2.03
Mutual Funds	749592	1.31
Non-Resident Indians (NRIs)	31602	0.06
Other (Clearing Member)	258161	0.45
	57091200	100.00



CERTIFICATE

12. 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 INE286K01024.

Details of dematerialization of shares as on March 31, 2014 are given below:

Name of the Depository	No. of Shares held	% of Total Shares
National Securities Depository Limited	47747795	83.63
Central Depository Services (India) Limited	1553917	2.72

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

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

15. **Company Details:**

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

Corporate Identity Number (CIN) : L40108WB2005PLC139595

To the Members of

Techno Electric & Engineering Company Limited

We have examined the compliance of conditions of code of Corporate Governance by Techno Electric & Engineering Company Limited, for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement with the BSE Ltd. and the National Stock Exchange of India Limited.

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 aforementioned Listing Agreements.

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 Registrar of the Company and placed before the Investors' Grievance Committee, as on March 31, 2014 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 – 700001.

For **S.S. KOTHARI & CO.**
Chartered Accountants
Firm Registration No. 302034E

Place: Kolkata
Date: May 24, 2014

R. N. Bardhan
Partner
Membership No. 017270



CERTIFICATE OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER ON FINANCIAL STATEMENTS UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

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

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2014 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
 - i. there have been no significant changes in internal control over financial reporting during the year;
 - ii. there have been no significant changes in accounting policies during the year; and
 - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: May 24, 2014

P. P. Gupta
Managing Director

P. K. Lohia
President (Finance)

DECLARATION UNDER CLAUSE 49(I) (D) OF THE LISTING AGREEMENT

Pursuant to Clause 49 of the Listing Agreement, it is hereby declared that all the Board Members and senior management personnel of Techno Electric & Engineering Company Limited have affirmed compliance with the Code of Conduct for the year ended March 31, 2014.

Place: Kolkata
Date: May 24, 2014

P. P. Gupta
Managing Director