No. CARE/HRO/GEN/2024-25/1055

The Board of Directors
Techno Electric & Engineering Company Limited
71, Park Street
Park Plaza
Kolkata – 700 016

14/02/2025

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended December 31, 2024 - in relation to the QIP of Techno Electric & Engineering Company Limited ("the Company")

We write in our capacity of Monitoring Agency for the QIP Issue for the amount aggregating to Rs. 1250 crore of the Company and refer to our duties cast under Regulation 173(A) of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended December 31, 2024, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated July 15, 2024.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

Puja Jalan

Puja Jalan
Director
Puja.Jalan@careedge.in

Report of the Monitoring Agency
Name of the issuer: Techno Electric & Engineering Company Limited
For quarter ended: December 31, 2024
Name of the Monitoring Agency: CARE Ratings Limited
(a) Deviation from the objects: Nil
(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title “Comments of the Board of Directors”, that shall be captured by the Issuer’s Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer’s Management/Board.

Puja Jalan

Signature:
Name and designation of the Authorized Signatory: Puja Jalan
Designation of Authorized person/Signing Authority: Director

1) **Issuer Details:**

Name of the issuer : Techno Electric & Engineering Company
Name of the promoter : Padam Prakash Gupta
Industry/sector to which it belongs : Civil Construction

2) **Issue Details**

Issue Period : July 16, 2024 to July 19, 2024
Type of issue (public/rights) : Qualified Institutional Placement
Type of specified securities : Equity Shares
IPO Grading, if any : Not applicable
Issue size : Rs.1250 crores

3) **Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate* and bank Statements	Not applicable	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable as no material deviation	Not applicable	Not applicable	
Whether the means of finance for the disclosed objects of the issue have changed?	Not applicable as there was no change	Not applicable	Not applicable	
Is there any major deviation observed over the earlier monitoring agency reports?	No deviation	Chartered Accountant certificate* and bank Statements	Not applicable	
Whether all Government/statutory approvals related to the object(s) have been obtained?	The company is yet to receive the required approvals for NERGS-1	Written confirmation through email from the company	The company has all the necessary government approvals for all the objects of issue except license for NERGS-1	
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Not applicable	Not applicable	Not applicable	
Is there any other relevant information that may materially affect the decision making of the investors?	Not applicable	Not applicable	Not applicable	

* Chartered Accountant certificate from Singhi & Co. (Peer reviewed Auditor) dated February 06, 2025.
#Where material deviation may be defined to mean:
a) Deviation in the objects or purposes for which the funds have been raised

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b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the placement Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Investment in the subsidiary NERES XVI Power Transmission Limited, and in NERGS-I Power Transmission Limited for funding EPC works for TBCB projects.	Chartered Accountant certificate*	400.00	400.00	In line with the objects in placement document	-	-	-
2	Investment in Subsidiaries, Techno AMI Solutions 1 Private Limited and Techno AMI Solutions 2 Private Limited, for funding EPC works for AMI projects.	Chartered Accountant certificate*	200.00	200.00	In line with the objects in placement document	-	-	-
3	Investment in our Subsidiary, Techno Infra Developers Private Limited, for funding EPC works for our data center situated in Chennai.	Chartered Accountant certificate*	350.00	350.00	In line with the objects in placement document	-	-	-
4	General corporate purposes (GCP)	Chartered Accountant certificate*	273.81	274.93	The company incurred issue expenses of Rs.25.07 crore against		-	-

					Rs.26.19 crore mentioned in the placement document. The difference amount of Rs.1.12 crore would be used towards GCP. As per offer document, the company's management shall have flexibility in utilizing surplus amounts, if any. ^			
		Total	1,223.81	1224.93				

* Chartered Accountant certificate from Singhi & Co. (peer reviewed auditor) dated February 06, 2025.

^ Section from the placement document related to GCP:

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy ₹27,381.44 lakhs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. Such general corporate purposes might include but not be restricted to, meeting fund requirements which our Company may face in the ordinary course of business, or meeting exigencies and expenses, repayment or prepayment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries/SPVs, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013. Further, our management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable laws.

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the placement Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Investment in the subsidiary NERES XVI Power Transmission Limited, and in NERGS-I Power Transmission Limited for funding EPC works for TBCB projects.	Chartered Accountant certificate*	400.00	6.96	-	6.96	393.04	The company has not incurred any expenses under the item head during Q3FY25.		
2	Investment in Subsidiaries, Techno AMI Solutions 1 Private Limited and Techno AMI Solutions 2 Private Limited, for funding EPC works for AMI projects.	Chartered Accountant certificate*	200.00	-	-	-	200.00	The company has not incurred any expenses under the item head during Q3FY25.		
3	Investment in our Subsidiary, Techno Infra Developers Private Limited, for funding EPC works for our data center situated in Chennai.	Chartered Accountant certificate*	350.00	-	-	-	350.00	The company has not incurred any expenses under the item head during Q3FY25.		

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the placement Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
4	General corporate purposes (GCP)	Chartered Accountant certificate*	274.93$	202.76	71.79	274.55	0.38	Out of the Rs. 274.93 crore, Rs. 202.76 crores have been spent during Q2FY25 and Rs.71.79 during Q3FY25 towards vendors payments in line with the object of the offer.		
Total			**1,224.93**	**209.73**	**71.79**	**281.51**	**943.41**			

* Chartered Accountant certificate from Singhi & Co. (peer reviewed auditor) dated February 06, 2025.
$ The GCP has been revised from Rs. 273.81 crore to Rs.274.93 crore as the company has incurred all issue expenses and transferred Rs.1.12 crores of unutilised amount from the same.

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (in Rs. Crore)	Maturity date	Earning (in Rs. Crore)	Return on Investment@ (%)	Market Value as at the end of quarter (in Rs. Crore)
1.	Kotak Savings Fund-Dir Plan-Gr	132.34		4.18	3.16%	136.52
2.	DSP (Ultra Short Fund -Dir-G)	40.26		1.28	3.18%	41.54
3.	HDFC Ultra Short Fund - Dir Gr)	208.31		6.62	3.18%	214.94
4.	ICICI (Ultra Short-Term Fund DP Growth)	281.24		9.07	3.22%	290.31
5.	Axis Ultra Short Duration Fund - Direct Growth	281.25		9.11	3.24%	290.36
6.	Balance in monitoring account	0.00	-	-	-	0.00
	Total	**943.41**		**30.26**	**3.21%**	**973.67**

@ Absolute return on investments
* *Section from the placement document related to deployment of unutilised funds:*
"Pending utilisation of the Net Proceeds towards the purposes described in this section, our Company intends to deposit

the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market/mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Investment in the subsidiary NERES XVI Power Transmission Limited, and in NERGS-I Power Transmission Limited for funding EPC works for TBCB projects.	Rs.200 crores in FY25 Rs.200 crores in FY26	Ongoing	NA		
Investment in Subsidiaries, Techno AMI Solutions 1 Private Limited and Techno AMI Solutions 2 Private Limited, for funding EPC works for AMI projects.	FY25	Ongoing	NA		
Investment in our Subsidiary, Techno Infra Developers Private Limited, for funding EPC works for our data center situated in Chennai.	FY25	Ongoing	NA		
General corporate purposes (GCP)	FY25	Ongoing	NA		

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the placement document:

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Payments to various vendors	274.55	Chartered Accountant certificate*	Aggregate amount of Rs. 274.55 crore utilised as on Dec 31, 2024 towards vendor payments, in line with placement document. Section from the placement document related to GCP is presented below ^	NA
	Total	**274.55**			

* Chartered Accountant certificate from Singhi & Co. dated February 06, 2025.

^ *Section from the placement document related to GCP:*

"The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy ₹27,381.44 lakhs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. Such general corporate purposes might include but not be restricted to, meeting fund requirements which our Company may face in the ordinary course of business, or meeting exigencies and expenses, repayment or prepayment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries/SPVs, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013. Further, our management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable laws."

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Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as **"Monitoring Agency/MA"**). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

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