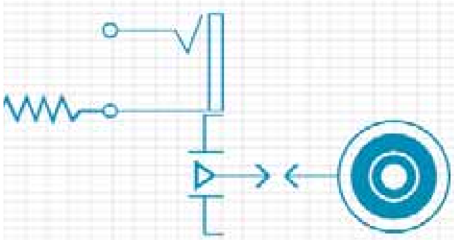
?▶ NAME THE ONE INDIAN COMPANY THAT IS A FAIR PROXY OF THE GROWTH COMING OUT OF INDIA'S POWER GENERATION, TRANSMISSION AND DISTRIBUTION SECTORS.

?▶ NAME THE ONE COMPANY THAT HAS PROVIDED SOLUTIONS FOR NEARLY HALF OF INDIA'S INSTALLED THERMAL POWER GENERATION CAPACITY.

?▶ NAME THE ONE COMPANY THAT MADE IT POSSIBLE TO BUILD NEARLY 50% OF THE NATIONAL GRID FOR INTER-REGIONAL POWER TRANSMISSION.

# THE ANSWER TO ALL THREE QUESTIONS



# TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

# TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED IS NOT JUST ANOTHER POWER SOLUTIONS COMPANY.

## THE COMPANY COMBINES HEAVY ENGINEERING AND LIGHT CONSTRUCTION CAPABILITIES ACROSS INDIA'S POWER GENERATION, TRANSMISSION AND DISTRIBUTION SEGMENTS.

## WITH A FOCUS ON GREEN ENERGY. SPECIALISATION IN EPC CONTRACTING SERVICES. ESTABLISHING POWER NETWORKS. AND BUILDING TRANSMISSION NETWORKS.

### Pedigree

Techno Electric & Engineering Company Limited (incorporated in 1963), now merged with Super Wind Project Limited and renamed as Techno Electric & Engineering Company Limited, was acquired by Mr. P.P. Gupta (present Promoter and Managing Director) in 1995. Techno Electric's core business addresses EPC (engineering, procurement and commissioning) services in the power generation, transmission, distribution and industrial sectors. The Company also possesses specific domain knowledge, enabling it to serve the EPC needs of the power, steel, fertiliser, metal and petrochemicals sectors, among others.

### Revenue visibility

Techno Electric's order backlog was Rs. 1,25,000 lacs as on March 31, 2010.

### Portfolio

Techno Electric possesses two business segments, namely EPC (engineering, procurement and commissioning) focused on the power sector and power generation segments.

### Location

Techno Electric is headquartered in Kolkata (West Bengal) with a pan-India presence.

### Listing

Techno Electric's equity shares were listed on the National Stock Exchange, the Bombay Stock Exchange and the Calcutta Stock Exchange till July 7, 2010 and were delisted pursuant to the scheme of amalgamation; it is now proposed to be relisted on these stock exchanges following completion of merger formalities. As on March 31, 2010, the Promoters held 54.97% of the Company's equity.

## Employee strength

Over 150 engineers and project management graduates, backed by a team of 200 skilled professionals and 100 staff members.

## Clientele

### Power sector

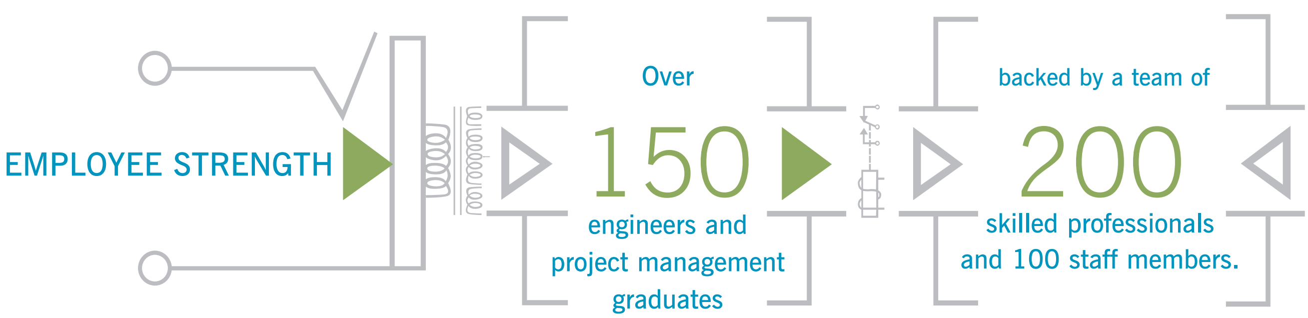
■ ABB Limited ■ Alstom ■ APTRANSCO Limited ■ ASEB ■ BHEL ■ CESC ■ Damodar Valley Corporation ■ Delhi Vidyut Board ■ Electrosteel Castings Limited ■ General Electric Technical Services, USA ■ GRIDCO ■ Haryana Power Generation Corporation Limited ■ LANCO Industries Limited ■ Maharashtra State Electricity Board ■ National Hydro Electric Power Corporation Limited ■ National Thermal Power Corporation Limited ■ NEEPCO Limited ■ Orissa Power Generation Corporation Limited ■ Power Grid Corporation of India Limited *Reliance Energy ■ Rolls Royce Ltd, UK/Norway and India ■ Tamil Nadu Electricity Board ■ Thermax Limited ■ UPPCL ■ West Bengal State Electricity Board

### Petrochemical and refinery sector

■ Haldia Petrochemicals Limited
■ Indian Oil Corporation Limited
■ Indian Petrochemicals Corporation Limited

### Aluminium sector

■ Bharat Aluminium Company Limited
■ National Aluminium Company Limited
■ HINDALCO ■ Vedanta Alumina Limited




## CLIENTELE

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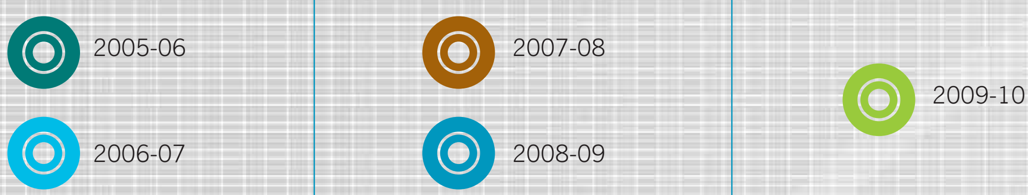
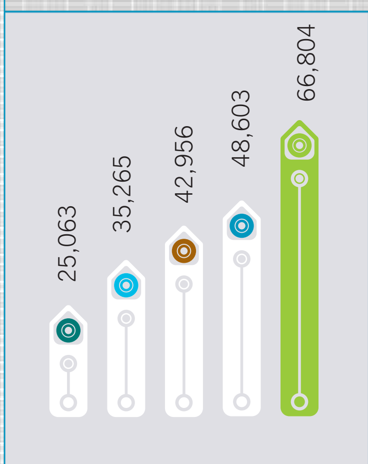
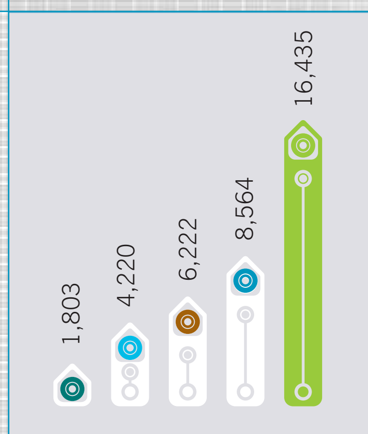
Enhancing shareholder value – 16 Sectoral opportunities and our growing role in it – 20 Exciting industry opportunity – 22
Directors' report – 26 Corporate Governance report – 34 Management discussion and analysis – 38 Financial section – 40

# OUR EXCITING STORY IS UNFOLDING IN OUR GROWING NUMBERS

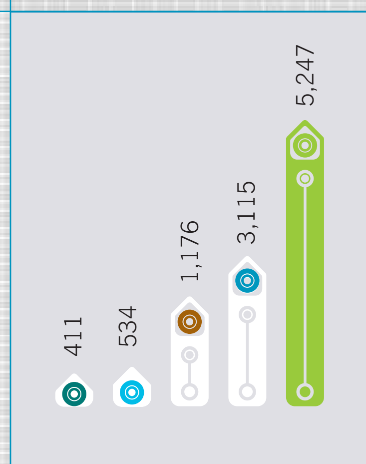


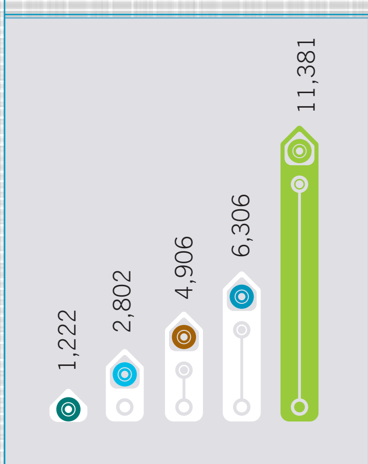
Revenues (gross) *(Rs. in lacs)*



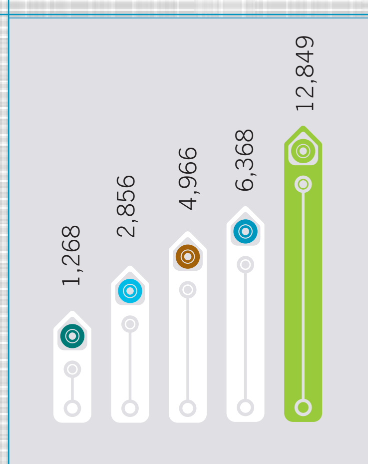
Operating profit (PBDIT and other income) *(Rs. in lacs)*



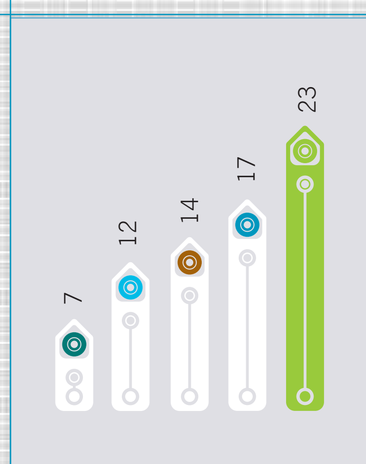
Other income *(Rs. in lacs)*



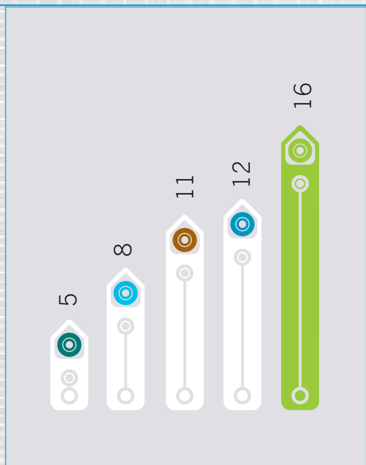
Post-tax profit *(Rs. in lacs)*



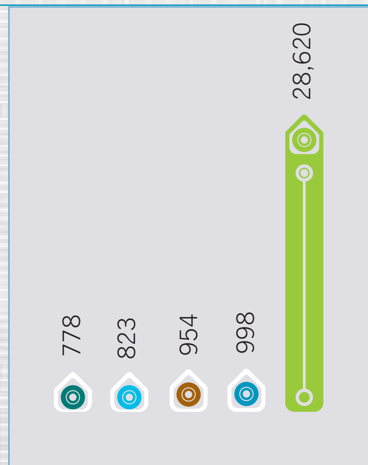
Cash profit *(Rs. in lacs)*



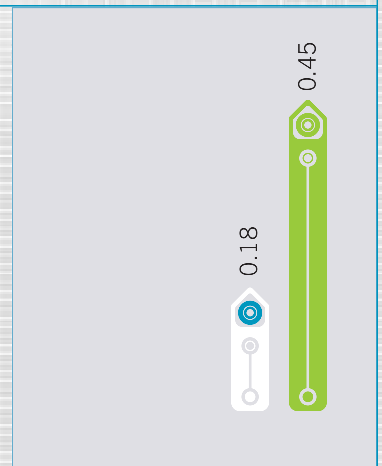
Operating profit margin *(%)*



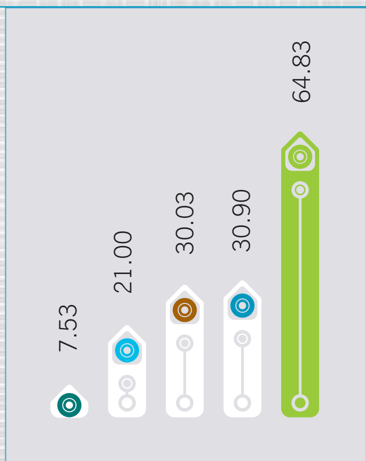

Post-tax profit margin *(%)*



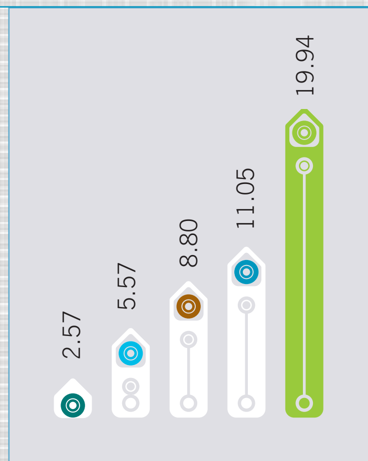

Gross block *(Rs. in lacs)*



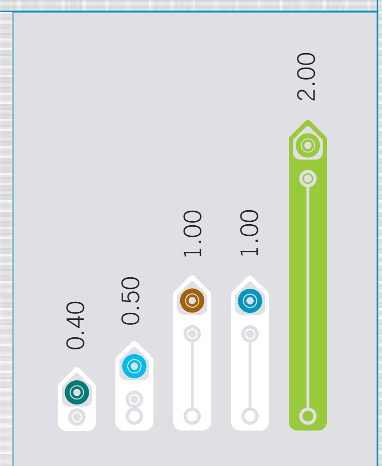

Debt-equity ratio




Book value per share *(Rs.)*

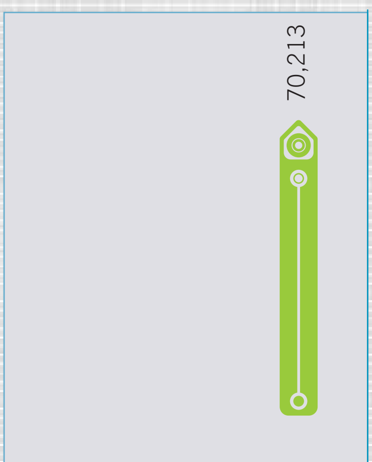



Earnings per share (basic) *(Rs.)*

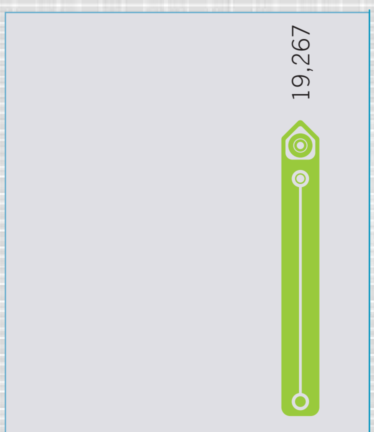



Dividend per share *(Rs.)*

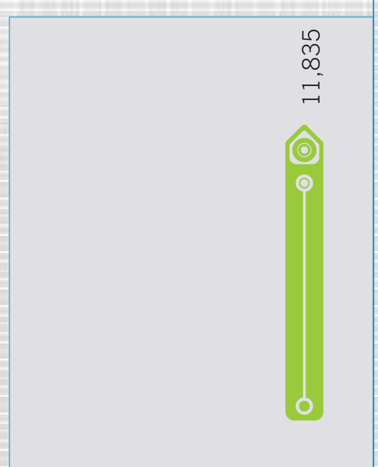
## Consolidated




Revenues (gross) *(Rs. in lacs)*




Operating profit (PBDIT and other income) *(Rs. in lacs)*



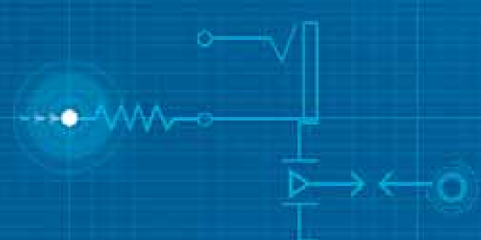

Profit after tax *(Rs. in lacs)*

# THE ABILITY TO ENVISION.

Comprehend equipment brand, complexity and configuration

# THE COMPETENCE TO EXECUTE.

Complete challenging turnkey projects on schedule



# THE POWER TO ENABLE.

Help customers maximise asset utilisation and life

# THE CAPACITY TO EVOLVE.

Emerge as a proven solution partner across decades

MANAGING DIRECTOR'S STATEMENT

# "WE ARE PRESENT AT THE RIGHT PLACE AT THE RIGHT TIME WITH THE RIGHT BUSINESS COMPLEMENTS."

**P P Gupta**
MANAGING DIRECTOR

*Dear Stakeholders,*

THE REGULATION OF INDIA'S POWER INDUSTRY WAS STATE-DRIVEN, WITH THE CENTRE PLAYING A SUPPLEMENTARY ROLE. FOR NEARLY A DECADE-AND-A-HALF OF A COALITION-DRIVEN CENTRE, POWER INDUSTRY REFORMS WERE STAGGERED.

When a stable government was formed in the 2004 elections, it embarked on the exercise of reforming the power industry through the selective implementation of the Electricity Act 2003. This resulted in a growing – not full-throated – emphasis on renewable energy, the launch of the PPP model on the transmission side, the creation of the UMPP format for larger denomination generation and the appointment of distribution franchisees. When the same government was voted back into power in 2009 with a clear majority, the reform pace accelerated; the potential of the decades began to be actualised.

This perspective is necessary for a deeper appreciation of the industry and its prospects. My understanding is that our industry growth will now be quicker; Techno Electric's objective will be to consistently outperform the industry average.

## Comprehensive sectoral pure-play

I am pleased that during 2009-10, Techno Electric reinforced its building blocks and emerged as a unique power sector company in India. For instance, we strategically intended to emerge as a power generator-transmitter-distributor in three years, a role historically played only by the power utilities in India. It was only in 2009-10 that our strategic vision became a reality.

- We became a generating company by fast-tracking our green energy capacity to 95.45 MW.

- We became a transmission company by entering into an agreement with the Haryana government following competitive bidding (PPP model - VGF Funding) to establish a 400-KV, 1,320-MVA, 100-km network with an operation and management obligation for a concession period of 25 years in consortium.

- We were always a distribution-focused company.

This complement makes us a comprehensive pure-play of the growing prospects of India's power industry.

## Strategic initiatives

Techno Electric did not simply grow its performance for 2009-10 but reinforced its ability to report growing numbers for a number of years. The Company did this through two overarching initiatives:

Green energy: In 2009-10, Techno Electric fast-tracked its green energy capacity to 95.45 MW, one of the larger green energy complements in India today. More than just the capacity

> "It is a testimony to our robust business model that we posted the biggest annual profit increase in our history in 2009-10"

creation, the Company demonstrated, for the first time in India, the possibility of capital-cum-cost of green power generation (including transmission linkage) to be almost comparable with the thermal route. We also enhanced the generation capability of our equipment by ensuring better machine and grid availability through specialised domain knowledge.

Transmission network and management: Techno Electric, in consortium, was successful in bagging an award for the establishment, operation and management of a 400-KV, 100-km long transmission link connecting 24 bay sub-stations at Rohtak and Sonepat to evacuate 1,320 MW (2 x 660) from the Jhajjar Power Plant built by China Light and Power, Hongkong. The Haryana government, for the first time in the country, introduced a pioneering PPP model with viability gap funding to select bidders on a competitive basis for a concession period of 25 years (extendable by another five years). This is a milestone which incorporates the best efficiencies of the public and private sectors in the interest of consumers. This opportunity opens up prospects of forward integration, business retrofitting and faster business growth.

## Positioning

Techno Electric is at the right place at the right time with the right business complements for the following reasons:

- In view of ongoing innovations, superior design will always be a prerequisite for power transmission projects.
- In view of a world affected by a dependence on finite resources, there will always be a growing relevance of green power resources.
- In view of significant investments already made in national power grids, there will be a growing priority to make them 'smart' and extract the maximum energy from them.

In each of the businesses, we either enjoy a significant market share or an attractive first-mover's advantage, which we intend to enhance through our rich domain knowledge.

In power transmission projects, we enjoy goodwill derived from decades of industry presence; in green energy, we fast-tracked our capacity to 95 MW in 2009-10 and a projected 250 MW in two years, making ours the largest green energy installation in India; we were awarded India's first outsourcing of transmission network maintenance in 2009-10, which we hope will translate into more such projects. Our green energy portfolio for the years to come will comprise power generation from biomass and hydro sources in addition to our presence in the wind power segment.

## Shareholder value

It is a testimony to our robust business model that we posted the biggest annual profit increase in our history in 2009-10, one of the most challenging years in our business and that of our downstream customers.

We reported record numbers owing to the mission-criticality of our work, our ability to demonstrate enhanced network productivity for the benefit of our customers, the willingness of our customers to keep working with us and our willingness to be associated with challenging projects in remote locations. We maintained harmonious relations with suppliers, which developed into long-term relationships.

Going ahead, we expect to enhance our business value by scaling each of our three businesses without stretching our gearing. We expect that this will translate into increasing project value, larger revenues and higher margins.

# BUSINESS SEGMENT REVIEW

## SEGMENT 01 | EPC

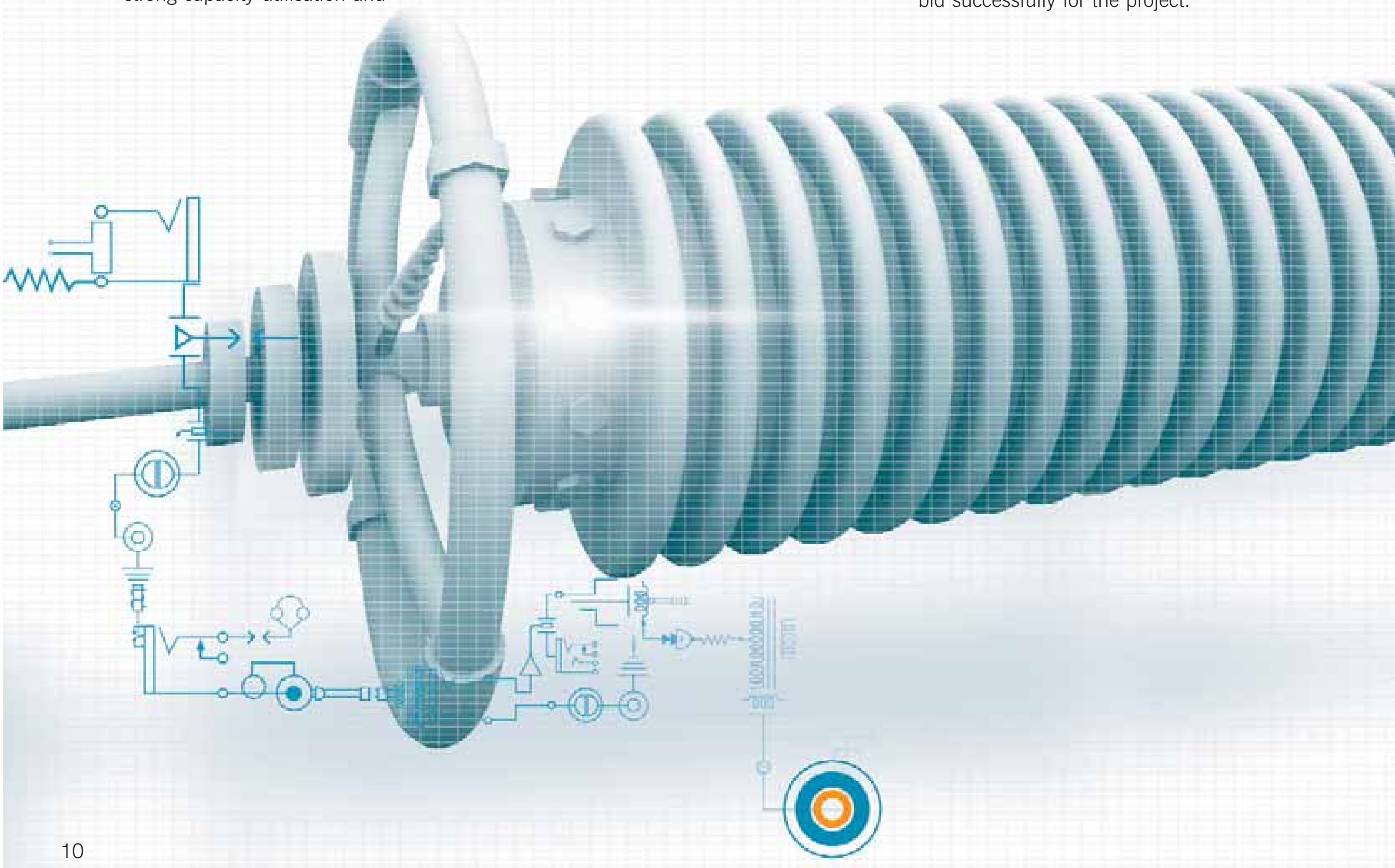
### Overview

Despite the late surge during the past few years, which resulted in a rapid addition in power generating capacity, the Eleventh Plan (2007-12) target for the addition of 62,700 MW capacity is unlikely to be realised. The Twelfth Plan (2012-17) is likely to set an even more ambitious target. As the country experiences a growing need for power supply to fill the demand-supply gaps. There was a reduction in power shortage from 86,001 MW in 2008-09 to 68,168 MW in 2009-10, indicating strong capacity utilisation and improvement in power conservation. Recent developments in the transmission sector focus on the development of the national grid, including interstate connection, technology upgradation and transmission cost optimisation.

### Our growing sectoral presence

Our presence in the EPC contracts will allow us to bid for larger projects, which will be profitability accretive. These will allow us to maximise resource productivity and output, reduce operational costs and consolidate our presence across a lower number of high-value sites.

Establishment, operation and management of the transmission link is attractive: it entails design-build-finance-operate-transfer rights, resulting in wider revenue streams. The Haryana government introduced a pioneering PPP model with viability gap funding for the establishment, operation and management of a 400-KV, 100-km transmission link, the first such instance in India. Techno Electric (in consortium) bid successfully for the project.



SEGMENT 02

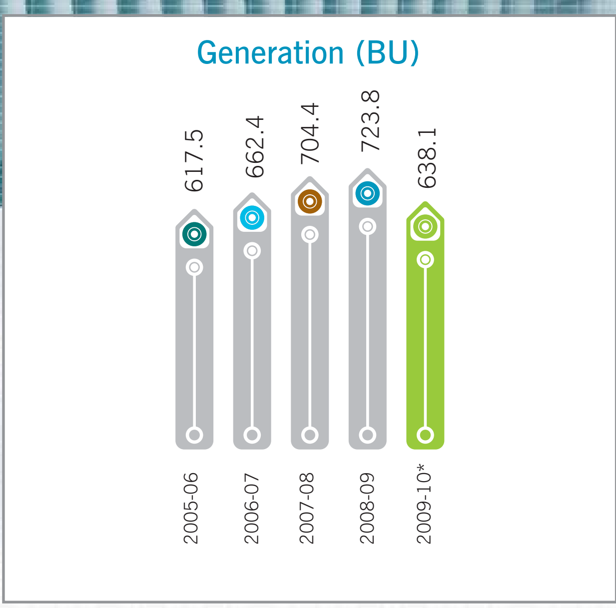
# POWER GENERATION

## Overview

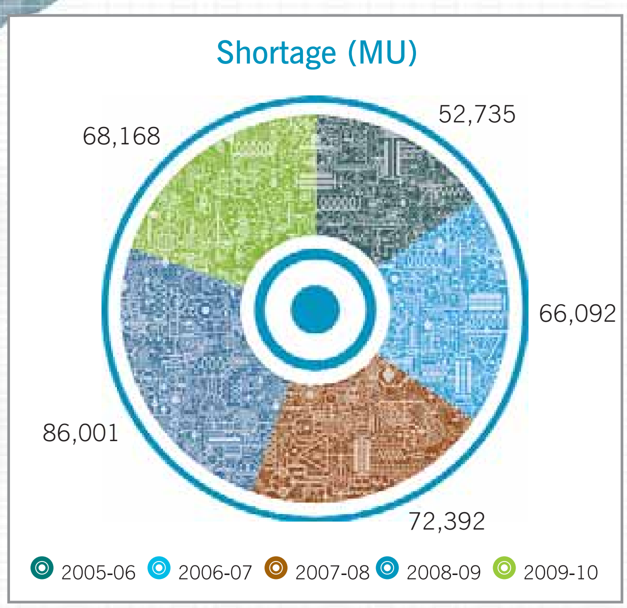
The electricity generation target for 2009-10 was fixed as 789.51 Billion Unit (BU) i.e. growth of around 9.1% over actual generation of 723.79 BU for 2008-09. The actual generation during April-December, 2009-10, however, was 573.28 BU, compared with 539.95 BU generated during April-December 2008-09, representing a growth of about 6.1%. India's renewable energy sector budget increased 61% to Rs. 1,00,000 lacs from Rs. 62,000 lacs, signalling the government's commitment to popularise alternative energy sources. India is pursuing an ambitious programme to expand its power generating capacities. The country's current installed capacity, totalling 160 GW is to be increased to 950 GW in 2030. The country has a major backlog demand for power supply.

## Our growing sectoral presence

We extended into green energy generation and acquired relevant assets in 2009-10. As a result, we possess a large part of the competence required in green energy generation, representing a synergic extension of our existing expertise. What makes our presence relevant is that the cost of green power generation is almost comparable with the thermal route. We believe that green energy opportunities will grow exponentially because the country is yet to achieve 70% of the national wind energy potential of 45,000 MW. This has already begun to happen: based on the existing order book, India's annual wind energy capacity increment of 1,500 MW is expected to double within only two years.




* Upto January 2010 (Source: Ministry of Power)




*Upto January 2010*

# ADDRESSING CHALLENGE WITH COMPETENCE.

WHEN TECHNO ELECTRIC WAS AWARDED THE contract for the installation of 40% fixed series compensation package for the 400-KV double circuit D/C Khandwa-Seoni transmission line in association with Nokian Capacitors Ltd, Finland, by the PowerGrid Corporation of India Limited, it was no simple assignment – for some good reasons.

The FSC platform that needed to be managed was arguably the largest in Asia (each platform 23.6m x 9.5m), across six such platforms. Besides, both line bays were already constructed by another agency and owing to the large size of the banks it was difficult to accommodate them within the available space.

Techno Electric innovatively restricted the weight of the platform and used special beams (parallel flange section) conforming to European specifications that were sourced specially. Besides, special 110 MT telescopic cranes were deployed. The layout and orientation was modified by incorporating middle gantry.

The result is that the client endorsed: “It is great to have such an achievement within March 31, 2008, the scheduled two-year time-span. It is a matter of great pleasure for all of us that the power grid system is now able to provide additional power transfer capacity in the grid with the introduction of state-of-the-art technology and systems from India and Finland under the leadership of the PowerGrid Corporation of India Limited.”

# REPLACING DOWNTIME WITH DELIGHT.

WHEN THE BIHAR STATE ELECTRICITY BOARD assigned Techno Electric to modernise grid stations at Bihar Sharif and Bari Pahari, the challenges comprised the following: Legacy sub-stations with no drawings or schemes in existence, the need to identify and categorise key action areas in terms of outright replacement, overhauling/preventive maintenance and installation of new system wherever such systems were non-existent and the need to minimise downtime while the maintenance of the energised sub-station was being conducted.

Techno Electric responded commensurately. The Company mapped the existing system and developed drawings. It conducted a detailed survey with operational tests on individual components (transformers, circuit breakers, current transformers and relay panels, among others). The equipment was categorised based on their prevailing condition and estimated residual life. Grid load flow and redundancy circuit patterns were identified. Circuits were taken out of service sequentially to minimise downtime. Apart from main electrical systems and circuit controls, all other sub-station auxiliaries (LT power supply, back-up power supply system, illumination systems, air-conditioning systems, fire-fighting systems, etc.) were newly installed or overhauled. The aesthetic value of the area housing this installation was upgraded through a complete renovation of the control room building, landscaping, roads, drains and water system, among others.

The result was that the client issued the following endorsement: “It is a pleasant surprise to note that a renovated sub-station can be as good as or better than a newly constructed one. This project must set a benchmark in our sector for upcoming renovation packages in terms of quantitative and qualitative value-addition done in a renovation contract.”

# ENHANCING SHAREHOLDER VALUE

## The performance of the Company in 2009-10

THE COMPANY REPORTED A RECORD PERFORMANCE IN 2009-10, REFLECTED IN 86% GROWTH IN CONSOLIDATED POST-TAX PROFIT.

## Performance in our conventional line of business, 2009-10

The Company reported a 40% revenue growth in its conventional line of business in 2009-10. It became increasingly selective with new EPC order bookings in view of a competitive industry environment on the one hand and rising commodity prices on the other. However, business prospects continued to be attractive for a fundamental reason: an increasing number of our clients preferred to outsource completely rather than allocate precious resources to projects. As a responsive organisation, we increased our project coverage from 50% of the package comprising a power project to 100%, especially in the sub-100 MW segment. We completed two such assignments successfully in 2009-10 and are optimistic that the goodwill arising out of them will translate into a larger order book.

## Presence in green energy generation

Techno Electric extended into green energy generation for some good reasons:

- We already possess a large part of the competence required in green energy generation, so this represented a synergic extension of our existing expertise.
- Our green power generation cost (including transmission linkage) is almost comparable with the thermal route.
- We are optimistic that this green energy opportunity will grow exponentially in India because the country is yet to achieve 70% of the national wind energy potential of 45,000 MW (based on select and favourable locations). This has already begun to happen; based on the existing order book, India's annual wind energy capacity increment of 1,500 MW is expected to double within only two years.
- We recognise that finite commodities like thermal coal will not only get scarcer but also more expensive (this has already started), so the cost structures of green and thermal power generation will intersect, the former becoming cheaper and preferred. I would like to take this opportunity to tell

> "We expect to grow our green energy business from 95.45 MW to 250 MW (2012) and 1,250 MW (end of Twelfth Plan)."

our shareholders that Techno Electric has already carved a place in this futuristic business segment.

## Capitalising on emerging opportunities

By the close of 2009-10, we possessed green power generation capacity – wind energy of 95.45 MW, making us one of the first IPP generators in India. By virtue of our operational excellence, our throughput of 2,250 lac units via the green route is equivalent to the power generated by a conventional 120 MW power plant.

This space will be different from thermal energy generation in one respect: in the latter, power generation plants are getting bigger and bigger; in green energy generation, the fastest growing segment is the one comprising modules of less than 10 MW each. Not surprisingly, this segment is the fastest growing: it requires a relatively low, one-time investment and can be funded through ongoing cash flow without threatening the Company's gearing or liquidity. Based on these realities, the prospects of green energy generation are captured in just two words: 'scalable' and 'sustainable'.

## Transmission network management

The Haryana government introduced a pioneering PPP model with viability gap funding for the establishment, operation and management of a transmission link, the first such in India. Techno Electric, in consortium, bid successfully for the project. Techno Electric's special purpose vehicle will generate an annual income of Rs. 5,400 lacs through this business for 25 years (extendable by five years).

This emerging business segment is attractive from a number of perspectives: one, it entails design-build-finance-operate-transfer rights, resulting in wider revenue streams. Two, the agreement is for 25 years, so this will translate into sustainable revenues. Three, the Company stands to derive EPC revenues, annual business returns and any increase in business value, which the Company can always divest (in full or part), should circumstances warrant. Four, Haryana has already been engaged as a consultant by other states wanting to replicate this model. So, by the virtue of being successfully engaged in Haryana, we expect to extend our presence to other states as well. Five, this represents our big leap from a contractor (generally L-one) to a respected partner. Six, if the country adds 1,00,000 MW of generation capacity in the next Plan, a corresponding capacity on the transmission side is the minimum incremental opportunity that we are addressing.

## Outlook

We not only grew in the last financial year, but there was an appreciable increase in income and bottomline during the fourth quarter. This indicates a positive momentum in the Company's revenues and profits, which we expect will sustain into 2010-11. Going ahead, we expect that we will be able to build profitable businesses out of our common core business understanding and scale them in line with their corresponding potential in the following manner:

- We expect to grow our green energy business from 95.45 MW to 250 MW (2012) and 1,250 MW (end of Twelfth Plan).
- We expect to add one transmission link contract annually, resulting in a portfolio of five projects by the end of the Twelfth Plan.
- We expect to grow the topline of our normal business by 25% annually over the coming years.

We expect revenues to increase 20% in 2010-11 followed by a significant increase in 2012-13, by which time both our incremental green energy capacity and the Haryana transmission link will have been fully commercialised. Once these projects go fully on-stream, the Company's dependence on its conventional line of business will decline from 80% of turnover to 50%, widening revenue streams and progressively derisking the business model.

### TECHNO ELECTRIC. PREPARING FOR THE FUTURE WHILE BEING ROOTED IN THE PRESENT.

Existing (2009-10) revenues from EPC contracts: Rs. 62,500 lacs
Projected (2011-12) revenues from EPC contracts: Rs. 90,000 lacs
Existing (2009-10) green energy capacity: 95.45 MW
Projected (2011-12) green energy capacity: 250 MW
Existing (2009-10) business from transmission network under PPP model: Nil
Projected (2011-12) business from transmission network under PPP model: 5000 MVA

## Market price data of the erstwhile Techno Electric

| Stock exchange | BSE | | | NSE | | |
|---|---|---|---|---|---|---|
| Month | High | Low | Volume | High | Low | Volume |
| April, 2009 | 127.55 | 70.25 | 1,28,658 | 127.8 | 68 | 1,74,602 |
| May, 2009 | 167.8 | 96.15 | 78,843 | 167.45 | 99.3 | 2,02,022 |
| June, 2009 | 180.3 | 128.1 | 1,27,078 | 180 | 128.65 | 1,04,255 |
| July, 2009 | 161.8 | 110 | 62,342 | 162 | 107 | 73,035 |
| August,2009 | 165 | 123.15 | 1,74,498 | 164.6 | 132.1 | 3,10,943 |
| September, 2009 | 172.6 | 140.1 | 3,35,239 | 202 | 146 | 5,70,388 |
| October, 2009 | 168 | 136 | 2,91,532 | 170 | 136.1 | 4,82,865 |
| November, 2009 | 177 | 138.05 | 2,34,256 | 177.7 | 137.5 | 3,53,082 |
| December, 2009 | 205 | 160.25 | 4,13,468 | 204.5 | 134 | 6,55,095 |
| January, 2010 | 240 | 191 | 3,65,892 | 238.5 | 190.05 | 5,93,360 |
| February, 2010 | 235.9 | 202 | 2,93,215 | 236.4 | 200 | 4,45,862 |
| March, 2010 | 234 | 214.25 | 2,50,912 | 232.8 | 214.05 | 3,28,336 |

The shares of Techno Electric were not traded on the Calcutta Stock Exchange Limited during the financial year ended March 31, 2010.

## Comparison of our stock performance with the BSE Sensex

| Month | Price at BSE | | | BSE Sensex | | |
|---|---|---|---|---|---|---|
| | Opening | Closing | Change(%) | Opening | Closing | Change(%) |
| April, 2009 | 72.1 | 115.2 | 59.78 | 16,438 | 17,528 | 6.63 |
| May, 2009 | 114.1 | 158 | 38.48 | 16,339 | 16,430 | 0.55 |
| June, 2009 | 164.45 | 138 | -16.08 | 17,473 | 16,358 | -6.38 |
| July, 2009 | 144.9 | 140 | -3.38 | 16,947 | 17,465 | 3.05 |
| August,2009 | 140 | 158.55 | 13.25 | 15,839 | 16,926 | 6.87 |
| September, 2009 | 159 | 149.5 | -5.97 | 17,186 | 15,896 | -7.51 |
| October, 2009 | 149.85 | 148.85 | -0.67 | 15,691 | 17,127 | 9.15 |
| November, 2009 | 144.95 | 160.35 | 10.62 | 15,695 | 15,667 | -0.18 |
| December, 2009 | 166 | 203.3 | 22.47 | 14,506 | 15,670 | 8.02 |
| January, 2010 | 205.5 | 201.95 | -1.73 | 14,747 | 14,494 | -1.71 |
| February, 2010 | 202 | 208.7 | 3.32 | 11,635 | 14,625 | 25.70 |
| March, 2010 | 217.5 | 227.15 | 4.44 | 9,746 | 11,403 | 17.01 |

## Comparison of our stock performance with NSE Nifty

| Month | Price at NSE | | | Nifty | | |
|---|---|---|---|---|---|---|
| | Opening | Closing | Change(%) | Opening | Closing | Change(%) |
| April, 2009 | 72.05 | 117.45 | 63.01 | 4,935.6 | 5,249.1 | 6.35 |
| May, 2009 | 122 | 159.3 | 30.57 | 4,882.05 | 4,922.3 | 0.82 |
| June, 2009 | 159.95 | 135 | -15.60 | 5,200.9 | 4,882.05 | -6.13 |
| July, 2009 | 134 | 141.1 | 5.30 | 5,039.7 | 5,201.05 | 3.20 |
| August,2009 | 135 | 159.6 | 18.22 | 4,712.25 | 5,032.7 | 6.80 |
| September, 2009 | 166.8 | 149.55 | -10.34 | 5,087.2 | 4,711.7 | -7.38 |
| October, 2009 | 150 | 148.9 | -0.73 | 4,662.2 | 5,083.95 | 9.05 |
| November, 2009 | 148.9 | 160.95 | 8.09 | 4,633.8 | 4,662.1 | 0.61 |
| December, 2009 | 164.7 | 203.4 | 23.50 | 4,292.3 | 4,636.45 | 8.02 |
| January, 2010 | 201.4 | 201.1 | -0.15 | 4,450.4 | 4,291.1 | -3.58 |
| February, 2010 | 204 | 210.25 | 3.06 | 3,478.7 | 4,448.95 | 27.89 |
| March, 2010 | 214.9 | 228.15 | 6.17 | 3,023.85 | 3,473.95 | 14.88 |

92,700 MW
POWER GENERATION
TARGET

# SECTORAL OPPORTUNITIES AND OUR GROWING ROLE IN IT

## 1 BUSINESS OPPORTUNITY

- A study by consultancy major McKinsey estimates India's power demand to increase to 315-335 GW by 2017 if the country continues to grow at an average 8%. This will require a five-to ten-fold rise in power generation, entailing investments worth USD 600 billion. This indicates that the market for the Company's services is vast and growing.
- The Company is an attractive proxy of the prospects of the power industry in India, marked by a peak deficit of 15-18%.
- The Company is one of India's largest EPC contracting companies with a presence in all three industry segments – generation, transmission and distribution.
- The Company possesses specific domain knowledge that enables it to service the growing needs of the power, steel, fertiliser, metal and petrochemical sectors along with specialised jobs in diversified manufacturing.
- The Company focuses on a combination of light construction and heavy engineering projects in the power sector.
- The Company provides products and services that cover 30% of the BOP value of a power project.
- The Company prefers to undertake complex assignments in challenging locations, resulting in healthy competition.
- The Company focuses on projects with attractive IRR.
- The Company possesses an impeccable record of timely project completion; we have never incurred a penalty on account of time overrun in our existence.
- The Company is an engineering services provider to large power companies and to power-intensive industries.

## 2 INFRASTRUCTURAL OPPORTUNITY

- According to investment banking company Goldman Sachs, India's infrastructure sector will require USD 1.7 trillion investments across the next 10 years. It also added that such an investment would come more from the domestic market than overseas.
- Plan allocation for power sector excluding Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) doubled from Rs. 2,23,000 lacs in FY10 to Rs. 5,13,000 lacs in FY11.
- Plan outlay for the Ministry of New and Renewable Energy increased 61% from Rs. 62,000 lacs in FY10 to Rs. 1,00,000 lacs in FY11.

## 3 FINANCIAL OPPORTUNITY

- The Company works with financially robust clients with comfortable liquidity.
- The Company generally works with clients whose financial closures have already been achieved.
- The Company's customers are strongly rated by the rating agencies, aiding client selection.
- The Company enjoys a gearing of only 0.50.
- The Company closed more than 90% of its projects successfully, resulting in quicker revenue inflow.
- The Company is a consistent cash-positive organisation in its EPC business.
- The Company employs modest working capital (10% of its employed capital), considerably lower than the industry benchmark.

# EXCITING INDUSTRY OPPORTUNITY

## Highlights of the Eleventh Five Year Plan

- The Eleventh Plan set a target of generating 62,000 MW of power.
- Overall power generation capacity in calendar years (CY) 2008 and 2009 was 22,302 MW, only 28% of the overall targeted power generation. The growth in power generation over the next two years should be 60% compounded to meet the target.
- Over 38,060 ckm of transmission lines were added in CY 2008 and 2009, 40% of the target.
- Around 61,613 MVA of sub-stations were added in CY 2008 and 2009, which comprised 34% of the overall target.
- The Ministry of Environment and Forests cleared eight power projects with aggregate generation capacity of 9,475 MW out of 28 proposals received, aggregating 48,170 MW
- About 55,652 MW of power generation capacity is under construction including 45,796 MW thermal, 6,916 MW hydro and 2,940 MW nuclear plants.

## Overview of the Indian economy

THE INDIAN POWER MINISTRY SET AN AMBITIOUS TARGET OF 'POWER FOR ALL' BY 2012 TO FACILITATE ECONOMIC DEVELOPMENT, AN IMPROVEMENT IN THE QUALITY OF LIVING AND UNINTERRUPTED, QUALITY POWER SUPPLY. THIS CAN ONLY BE POSSIBLE THROUGH OPTIMAL ENERGY UTILISATION AND THE IMPLEMENTATION OF EFFICIENT TECHNOLOGIES IN GENERATING, TRANSMITTING AND DISTRIBUTING POWER.

## Opportunities in the Indian power sector

**The growing demand-supply gap:** There is a strong correlation between GDP growth and power demand. Every 1% increase in GDP results in an increase of about 0.9% in the demand for power.

**Increasing per capita consumption of power:** The per capita consumption of power is continuously increasing and it is expected that by the end of 2012, India's per capita consumption will increase to 1,000 kwh.

**High level of network losses:** Network losses were consistently on the higher side and are currently in the range of 18% to 50% in various states; in 2006-07, the average was 32%.

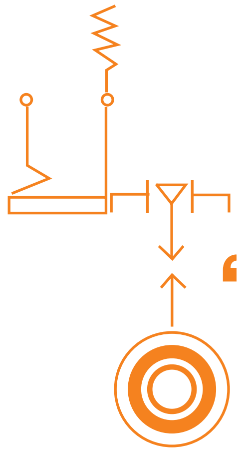
**High level of financial losses:** The state power companies are loss making and need government subsidies. India's power sector suffers huge financial losses to the tune of US$6 billion per annum. These losses accumulated over time and resulted in inadequate financial resources for capacity augmentation.

**POWERING UP** Power demand versus deficit in April-October of the last five years

| Year | Demand | % increase in demand | Availability | Deficit (%) |
|---|---|---|---|---|
| 2005-06 | 88,667 | NA | 80,631 | 9.10 |
| 2006-07 | 98,520 | 11.11 | 84,468 | 12.20 |
| 2007-08 | 1,08,911 | 10.54 | 92,976 | 14.60 |
| 2008-09 | 1,09,304 | 0.36 | 94,566 | 13.50 |
| 2009-10 | 1,16,281 | 6.38 | 1,01,609 | 12.60 |

*Source: CEA*

*(Figures in MW)*



> "The per capita consumption of power is continuously increasing and it is expected that by the end of 2012, India's per capita consumption will increase to 1,000 kwh."

## Rural electrification

- The outlay for the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) scheme increased 130% to Rs. 5,13,000 lacs (from Rs. 2,23,000 lacs in 2009-10) in the 2011 Union Budget.
- Over the 34 months of the Eleventh Plan period to January 2010, 14,845 villages were electrified, taking the number of electrified villages to 49,7709, constituting 83.8% of India's total 5,93,732 villages.

## Overview of renewable energy

All of us use fuel for various reasons every day. A lot of the sources of today's fuels such as gas, petrol and coal, cannot be replenished or renewed. Fossil fuels are non-renewable; they draw on finite resources that will dwindle, becoming too expensive or too environmentally damaging to retrieve. In contrast, renewable energy resources like wind energy are constantly replenished and sustainable.

### Types of renewable energy

- Solar energy
- Wind energy
- Water energy
- Other types include biomass, tidal, hydrogen, geothermal and ocean energy, among others.

Techno Electric acquired Super Wind Projects, the 45-MW wind power firm of Suzlon Energy, for Rs. 25,000 lacs. The acquired assets are located in Tamil Nadu and Karnataka. India has a potential of generating over 48,000 MW through wind energy farms and for that, it would require just 1% of its land, according to an estimate by the Centre for Wind Energy Technology (C-WET)

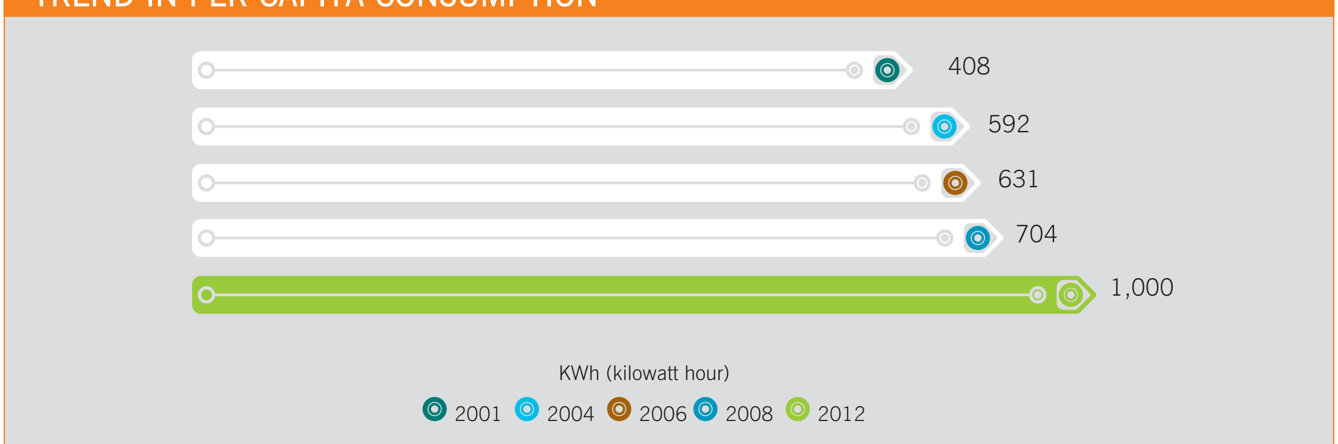
## Advantages of power generation from wind energy

- Capital costs are comparable with conventional power plants. For a wind farm, the capital cost ranges between 450 lacs and 685 lacs per MW, depending on the type of turbine, technology, size and location
- Construction time is lower than in conventional power generation
- Fuel cost is zero
- Operations and maintenance cost is low
- Capacity addition can be modular
- No adverse effect on the global environment as the system is pollution-free and environment friendly
- Fastest payback period
- No investment required in manpower
- Requires low equity participation; low-cost debt is easily available

## Corporate social responsibility

At Techno Electric, we are continuously engaged in the development and enhancement of our SHE (safety, health and environment) activities. As a responsible corporate citizen, we endeavour to become a completely risk-free zone across our plants and offices:

### TREND IN PER CAPITA CONSUMPTION



> "Techno Electric embarked on the generation of power from wind energy that will make a substantial difference in $CO_2$ emissions up to 2020. It is estimated that wind energy can save 10 billion tonnes of $CO_2$ by 2020"

- Conducted safety training and awareness programme on an ongoing basis, starting from familiarisation, awareness creation to mandatory participation by all permanent and contract workers in our activities
- Reduced the person-hours lost owing to injury with the help of our safety standards, increasing productivity
- Embarked on the generation of power from wind energy that will make a substantial difference in $CO_2$ emissions up to 2020. It is estimated that wind energy can save 10 billion tonnes of $CO_2$ by 2020
- Provided comprehensive health insurance cover for all employees across our various organisational levels

## CERC gives push to green energy

The Central Electricity Regulatory Commission (CERC) announced renewable energy certificate (REC) norms in a bid to promote power generation from clean sources in the country. The REC scheme aims at increasing power generation capacity from renewable sources by allowing utilities from green energy-deficient states to buy renewable energy certificates to offset their lag. The Electricity Act, 2003 mandates state distribution utilities to purchase electricity from renewable energy sources, as a certain minimum percentage of the total consumption of power in the state.

The value of an REC will be equal to 1 MW-hour of electricity injected into the grid from renewable energy sources. These certificates will be exchanged at the power exchanges within a price band that will be determined by CERC. The uneven distribution of renewable energy potential in India discourages states with lower renewable energy generation sources from committing higher RPOs.

## CDM project

Techno Electric moved towards a CDM (clean development mechanism) project registration process with UNFCCC (United Nations Framework Convention on Climate Change) that will help develop the project on one hand and sale of CERs (certified emission reduction) on the other.

## Generation based incentive scheme (GBI)

The fiscal incentives provided by the government emphasised capacity addition rather than power generation from wind energy. Consequently, power generation from wind, as a percentage of total power generation, remained low compared with the percentage of installed capacity. The total installed capacity of wind power, as of December 2009, accounted for 7% of the total installed power capacity in India. However, CRISIL research estimates its contribution to the total power generation at 2.7-3%.

To promote efficiency in power generation from wind energy, the Ministry of New and Renewable Energy (MNRE) announced the generation based incentive scheme for grid interactive wind power projects. The following are the main objectives of the scheme:

- To encourage higher incentives with the help of generation-based incentive
- To facilitate entry of large independent power producers (IPP)
- To broaden the investor base and create a level playing field between various classes of investors

Under this scheme, the Ministry announced an incentive of Rs. 0.50 per unit of electricity fed into the grid for a period not less than four years and not more than 10 years. A total maximum incentive of Rs. 62 lacs per MW would be available as GBI with the total disbursement in a year not exceeding one fourth of the maximum limit i.e. Rs. 15 lacs per MW.

### Key statistics

| | |
|---|---|
| Total number of villages | 5,93,732 |
| Number of villages electrified | 4,97,838 |
| Percentage of villages electrified | 83.80 |

# STATUTORY SECTION

# Directors' Report

TO,

THE MEMBERS OF TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED (FORMERLY SUPER WIND PROJECT LIMITED)

Your Directors take pleasure in presenting the 5th annual report, along with the audited accounts of the Company, for the year ended March 31, 2010.

As members are aware, the investment by the erstwhile Techno Electric & Engineering Company Limited (Techno Electric) during 2009-10, presented your Company an opportunity to actively pursue various synergies between Techno electric and your Company. A team comprising senior management personnel of Techno electric and your Company was constituted to advise on how best to exploit synergy benefits. Following a detailed study, the team advised that Techno electric be merged with your Company, in an effort to consolidate the businesses of your Company and Techno electric, creating a more competitive business, both in scale and scope of operations. Such a consolidation was aimed at optimising cost, revenue and capital synergies, leading to an overall enhancement in shareholder value. Accordingly, pursuant to a scheme of amalgamation approved by the Company's members and creditors, inter alia, and sanctioned by the Honourable High Court of Kolkata, vide the Honourable Court's order dated May 6, 2010, Techno electric was merged with your Company. The appointed date for the merger was April 1, 2009. On July 14, 2010, the Company's name changed to Techno Electric & Engineering Company Limited, as envisaged in the scheme of amalgamation.

In view of the merger, appointed date being April 1, 2009, and with a view to present the shareholders a transparent financial statement of the Company's business post-integration, the Board of Directors decided that the Company should present one single financial statement to the members commencing April 1, 2009 (the appointed date under the scheme) and ending on March 31, 2010.

## Financial results

Your Company's operations during the financial year ended March 31, 2010 comprised the EPC business of Techno electric and energy sale (power) business of your Company resulting in:

| | Year ended March 31, 2010 (Rs. in lacs) | Year ended March 31, 2009 (Rs. in lacs) |
|---|---|---|
| Profit before interest and depreciation | 16,435.22 | 240.79 |
| Less : Interest | 1,282.72 | 0.50 |
| Depreciation | 1,467.15 | 587.36 |
| Profit before tax | 13,685.35 | (347.07) |
| Provision for taxation (including deferred income tax, fringe benefit tax and security transaction tax) | 2,303.99 | - |
| Profit after taxation | 11,381.36 | (347.07) |
| Balance brought forward from previous year | (346.62) | 0.45 |
| | 11,034.74 | (346.62) |
| **Appropriations** | | |
| Transfer to general reserve | 7,883.00 | - |
| Transfer to Debenture Redemption Reserve | 1,820.00 | - |
| Proposed dividend | 1,141.82 | - |
| Provision for tax on proposed dividend | 189.64 | - |
| Surplus carried to balance sheet | 0.28 | (346.62) |
| | 11,034.74 | (346.62) |

## Dividend

Your Directors recommended a dividend of Rs.2.00 per equity share of a nominal value of Rs. 2 each.

## Review of operations

The operations of the Company in 2009-10 comprised scheduled operations of the Company and operations of Techno Electric. During the year, the Company achieved a turnover of Rs. 66,803.90 lacs and profit after tax of Rs. 11,381.36 lacs. The Company operates mainly in two segments i.e. energy sale (power) and EPC within the power sector.

## Energy sale (power)

The Company engaged in power-generation through wind turbine generators (WTGs), and has 30 WTGs with a total aggregate-rated generating capacity of 45 MW installed at various locations in Tamil Nadu and Karnataka. The Company sold 106.93 million units of energy (power) during 2009-10, earning a revenue of Rs. 3,620.35 lacs.

## EPC business

During 2009-10, the following projects were completed successfully:

1) Turnkey execution of 400 KV GSS at Hindaun, (extension) sub-station of Rajasthan Rajya Vidut Prasaran Nigam Ltd
2) Turnkey execution of 400 KV GSS at Barmer, (extension) sub-station of Rajasthan Rajya Vidut Prasaran Nigam Ltd
3) Power distribution package in establishment of a coach factory of East-Central Railway at Harnaut, Bihar
4) Electrical installation work for New Parli TPS, unit-2 (250 MW), and for Paras TPS, unit-2 of MSPGCL
5) Cabling, earthing and lightening protection system, including ETC of electrical main plant equipments for 1x250 MW, unit-III at the Budge Budge generating station of CESC for BHEL
6) Establishment of a 1x40 MW waste heat recovery-based power plant for Bengal Energy Limited
7) Turnkey execution of 220 KV power-receiving station and construction of power distribution infrastructure at Paradip Refinery, IOCL, New Delhi
8) Turnkey execution of 220/66 KV sub-station at Nalagarh, Solan district (H.P) for Himachal Pradesh State Electricity Board

The following projects are ongoing and are expected to be completed as per schedule:

1) Establishment of 1x40 MW waste heat recovery-based power plant for Bengal Energy Limited
2) Ash-water recirculation and treatment system package for Farakka STPP, stage-III (1x500 MW) and Korba STPP, stage-II (1x500 MW) of NTPC Limited
3) EPC construction of 132/33 KV sub-station at Kurseong, of West Bengal State Electricity Transmission Co. Ltd
4) Sub-station package (package-C) for sub-transmission system associated with BSTS, phase-II, part-II of BSEB from PGCIL
5) Turnkey execution of R&M package for 220/132/33 KV grid sub-stations at Biharsheriff and 132/33 KV grid sub-station at Baripahari for BSEB, Patna
6) Turnkey execution of 220 KV switchyard (extension) package for Harduagunj Thermal Power Plant (2x250 MW) of UP Rajya Vidyut Utpadan Nigam Ltd, Lucknow.
7) Supply, installation and associated civil works for creation of rural electricity infrastructure and household electrification in Madhepura and Saharsa districts of Bihar under the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY-in XIth Plan) for BSEB, Patna
8) Supply, erection, testing and commissioning of sub-transmission lines, distribution lines, power transformers, new sub-stations, augmentation of existing sub-stations, distribution transformers of varying capacities, renovation and modernisation works in Bhokar and Nanded divisions under Nanded Circle of Latur Zone for Maharashtra State Electricity Distribution Co. Ltd
9) Cabling, earthing, lightening protection, illumination, plant communication system, DC power-supply system, stand-by power-supply system for Harduagunj Power Plant extension (2x250 MW) of UP Rajya Vidyut Utpadan Nigam Ltd, Lucknow
10) Supply of station piping, fuel oil unloading and storage package for NTECL's Vallur Thermal Power Project (3x500 MW) of NTPC Tamil Nadu Energy Company Ltd
11) Station piping package for Bongaigaon Thermal Power Project (3x250 MW) for NTPC Ltd
12) Ash-water recirculation system for Simhadri Super Thermal Power Project, stage-II (2x500 MW) for NTPC Ltd
13) Supply, fabrication, erection, and installation of aluminium bus bars for Aluminium Smelter Expansion Project (phase-II) at Jharsuguda, Orissa for Vedanta Alumina Ltd
14) Fuel oil system for 2x500 MW units at Durgapur Steel TPS, West Bengal for BHEL
15) Miscellaneous tank package for 2x500 MW units at Durgapur Steel TPS, West Bengal for BHEL
16) Fuel oil system for 2x500 MW units at Koderma TPS, Jharkhand for BHEL.
17) Miscellaneous tank package for 2x500 MW units at Koderma TPS, Jharkhand for BHEL
18) 220/132/33 KV sub-station including D/C LILO of 132 KV Barhi-Koderma Line at Koderma for DVC

During the year, Techno Electric bagged the following major orders:

1) Design, supply, erection, testing and commissioning including associated civil works and structural works for 400 KV & 132 KV switchyard of Kemeng H. E. Project

(package VI), Arunachal Pradesh on EPC basis

2) Supply of equipment and materials, construction, erection, testing and commissioning etc. of equipment and plants and civil work of end bays under LL1A package for various work orders of MSETCL

3) Supply of equipment and materials, construction, erection, testing and commissioning etc. of equipment and plants and civil work of end bays under LL2A package for various work orders of MSETCL

4) Supply, erection and construction contract for Kalna 132/33 KV substation along with 2 nos. 132 KV line bays at Satgachia 220/132/33 KV substation (extension) on turnkey basis in Bardhaman District, West Bengal

Techno Electric participated in many prestigious tenders in public and private sectors; some of them in which it is competitively placed are likely to be finalised shortly in the Company's favour.

## Subsidiaries

During the year, your Company further invested in the development of 50.45 MW capacity of wind power generation in Tamil Nadu and Karnataka, through a wholly-owned subsidiary named Simran Wind Project Private Limited. With this development, the Company developed and invested in 95.45 MW of wind power generating capacity in India.

## Diversification

Consequent to the transfer of undertaking and business of erstwhile Techno Electric, pursuant to the scheme of amalgamation and integration of the said business with the Company, your Company entered into the EPC business in the power sector. The EPC core business of Techno Electric mainly focused on power sector which was integrated into the Company's business. Further, establishment of a 60-MW biomass-based power generating unit taken up by Techno Electric is in progress at 5 Indian locations currently, and is expected to be completed and operational in the next 2 years.

## Transmission business

Pursuant to the merger, your Company was successful in bagging the order for the development of a 400 KV, 1500 MVA and 100 km transmission link, a first in India, in the PPP model from Haryana Vidyut Prasaran Nigam Limited (HVPNL) on a design, build, finance, operate and transfer (DBFOT) basis with VGF funding in consortium with M/s Kalpataru Power Transmission Limited. The concession period is for 25 years, extendable by another 5 years and is being implemented through a special purpose vehicle (SPV), namely Jhajjar KT Transco Private Limited.

## Future outlook

The integration of the entire business of erstwhile Techno Electric and the Company, following the scheme of amalgamation resulted in a consolidated entity having:

(i) Green power generation – 95.45 MW capacity in operation and 60 MW under implementation

(ii) Transmission business by developing a 400-KV transmission link on a 25-year concession business in the PPP model, catering to the power requirement of Rohtak and Sonepat in Haryana

(iii) EPC business in the power sector, catering to all three segments i.e. generation (thermal/hydro), transmission and distribution

(iv) Power distribution and off-site work projects on turnkey basis in refineries, metallurgical sector – particularly aluminium smelter, petrochemical sector etc., in addition to establishing power plants of up to 100 MW capacity on EPC basis on waste heat recovery and coal/gas-fired power plants

Among all renewable energy sources, wind energy, in which your Company operates is making a significant contribution to the grid-power installed capacity of India, and is emerging as a competitive option. India's wind power potential was assessed at 45,000 MW. Further, preliminary surveys do not, at this juncture, suggest a sizeable grid-interactive, off-shore wind-power potential. Tamil Nadu, where the majority of your Company's wind turbine generators operates, is maintaining its lead in wind installations, accounting for over 50% of total capacity in India. Wind turbines of 1, 1.25, 1.5 and 1.65 MW are being installed across India in large numbers. Both fiscal incentives and promotional measures initiated by MNRE enable accelerated development of wind power in India. Your Company owned 30 WTGs at diversified locations in Tamil Nadu and Karnataka which has an aggregate-rated generating capacity of 45MW. Considering the growth potential in wind power and the government's positive approach towards wind energy, the Company seems to be in a very good position in the power-generation segment.

India is the world's sixth-largest energy consumer, accounting for approximately 3.4% of energy consumption. The growth in India's economy increased the demand for energy at a greater pace than its supply. Over 75% of the electricity consumed in India is generated by thermal power plants. To reduce dependence on thermal power and to augment the generation and supply to meet increased demand, the government is encouraging supply via other resources viz. hydro power, nuclear power, wind power, biomass-based power, among others. The Company took initiatives to enter the generation segment, establishing biomass-based power plants in various parts of the country.

Despite a late surge during the past few years, resulting in rapid addition of power-generation capacity from all sources, the Eleventh Plan (2007-12) target for the addition of 78,000 MW is unlikely to be realised. The Twelfth Plan (2012-17) is likely to set an even more ambitious target of addition of over 100,000 MW of power.

The overall outlook of the power sector seems positive and your Company intends to take all possible steps to reap maximum benefits in future.

## Directors

Mr. S. N. Roy, Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. A brief profile of Mr. Roy is given in the Corporate Governance report.

Mr. Harish H. Mehta and Ranjitsinh A. Parmer resigned on September 03, 2009.

Mr. Rajiv Agarwal and Mr. P. K. Lohia were appointed as Additional Directors by the Board on September 03, 2009, and appointed as Directors by the shareholders at the Annual General Meeting on September 12, 2009. Mr. S. N. Roy was appointed as an Additional Director on September 14, 2009 and was appointed as Director at the Extraordinary General Meeting held on June 30, 2010.

Subsequent to the period under review, the following Directors were appointed/resigned:

Mr. K. Vasudevan, Mr. K. K. Rai, Mr. V. D. Mohile and Mr. K. M. Poddar were appointed as Additional Directors from June 24, 2010, and appointed as Directors at the Extraordinary General Meeting held on June 30, 2010.

Mr. P. P. Gupta, appointed as Additional Director on June 24, 2010, was appointed as Managing Director by the Board on June 28, 2010.

Mr. Nilesh V. Dhanani resigned from June 24, 2010 and Mr. Rajiv Agarwal and Mr. P. K. Lohia resigned from July 17, 2010.

## Appointment of Managing Director

Mr. P. P. Gupta was appointed managing director of the Company by the Board of Directors on June 28, 2010, and the approval of shareholders was obtained at the Extraordinary General Meeting of the Company held on June 30, 2010.

## Share capital

Pursuant to the scheme of amalgamation, the authorised capital of the Company increased from Rs. 125,00,00,000 to Rs. 140,00,00,000, comprising 42,49,00,000 equity shares of Rs. 2 each and 5,50,20,000 preference shares of Rs. 10 each.

Pursuant to and as envisaged in the scheme of amalgamation, 5,70,91,000 equity shares of Rs. 2 each, of your Company, were allotted as fully paid-up to the shareholders of Techno Electric in the ratio of 1 equity share of the Company for every 1 equity share held by them in Techno Electric.

Further, 15,39,53,000 equity shares of Rs. 2 each and 5,50,00,000 redeemable cumulative preference shares of Rs. 10 each in the capital of the Company held by Techno Electric was cancelled.

## Listing of shares

Pursuant to and as envisaged in the scheme of amalgamation, the shares of the Company allotted to the shareholders of Techno electric are to be listed in Bombay Stock Exchange Ltd, National Stock Exchange of India Ltd and Calcutta Stock Exchange Ltd, and the Company is in the process of making application to the stock exchanges for the same, as on the date of this report.

## Change of name

Pursuant to and as envisaged in the scheme of amalgamation, the name of the Company changed from Super Wind Project

Limited to Techno Electric & Engineering Company Limited from July 14, 2010. The fresh Certificate of Incorporation, consequent upon change of name, has been received from the Registrar of Companies, West Bengal.

## Auditors

The Auditors, M/s. S. S. Kothari & Co., Chartered Accountants, hold office till the conclusion of the ensuing 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.

## Corporate Governance

A separate report on Corporate Governance is annexed to this report.

## Management discussion and analysis

A management discussion and analysis report is annexed and forms an integral part of the annual report.

## Directors' responsibility statement

**Your Directors confirm**

i) That in the preparation of the annual accounts, the applicable Accounting Standards were followed, along with proper explanation relating to material departures

ii) That the selected accounting policies are reasonable and prudent so as to give a true and fair view of the Company's state of affairs and profit at the end of the financial year, and applied them consistently;

iii) That proper and sufficient care was taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities

iv) That the accounts for the period ended March 31, 2010 are on a going-concern basis

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

## A. Conservation of energy

As the Company's activities do not involve, by and large, any significant level of energy consumption, no comments are necessary in respect of energy conservation and reduction of energy consumption. In any event, continuous efforts are made to conserve energy to the extent possible.

## B. Technology absorption

As 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 earning and outgo

| | | |
|---|---|---|
| Foreign exchange earning (under deemed export) | - | Rs. 9,797.68 lacs |
| Foreign exchange outgo | - | Rs. 1,873.03 lacs |

## Employees

The relation between the employees and the management continued to be cordial and stable at all levels. Your Directors wish to place on record their appreciation for the devoted services of all the Company's executives and staff.

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

## Acknowledgements

Your Directors wish to express their thanks to the shareholders, various customers and their consultants, different government departments and the Company's bankers for their continued support to the Company.

For and on behalf of the Board of Directors

**P. P. Gupta**
*Managing Director*

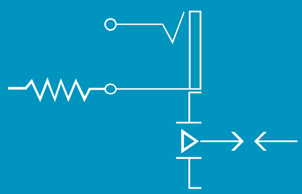
Place : Kolkata,
Dated : 17th day of July, 2010

**K. M. Poddar**
*Director*

# Annexure ‘A’ to the Directors’ Report

## Technology absorption

FORM – B



Disclosure of particulars with respect to technology absorption as per Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors’ report for the year ended March 31, 2010

### Technologies absorbed:

**Research & Development (R & D)**

| | | |
|---|---|---|
| 1. Specific areas in which R&D was carried out by the Company | : | NIL |
| 2. Benefit derived as a result of the above R&D | : | N.A. |
| 3. Future plan of action | : | None |
| 4. Expenditure on R & D | : | N.A. |
| 5. Technology absorption, adaptation | : | Constant efforts are made by the Company to develop cost-effective new products/systems |

For and on behalf of the Board of Directors

**P. P. Gupta**
*Managing Director*

Place : Kolkata,
Dated : 17th day of July, 2010

**K. M. Poddar**
*Director*

# Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Company

| Sl. No. | Name of the Subsidiary | Simran Wind Project Private Ltd. |
|---|---|---|
| 1. | Financial Year of the Subsidiary ended on | March 31, 2010 |
| 2. | Date from which became Subsidiary | November 20, 2009 |
| 3. | Share of the Subsidiary held by the Company as on March 31, 2010 – | |
| | a) Number and Face Value | 10,64,00,400 Equity Shares of Rs. 10 each fully paid up. |
| | b) Extent of Holding | 100% |
| 4. | The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far as it concerns the member of the Holding Company – | |
| | a) Not dealt with in the Holding Company's Accounts | |
| | i) For the Financial Year ended March 31, 2010 | Rs. 6,80,46,799 |
| | ii) Upto the previous Financial Years of the Subsidiary Company | – |
| | b) Dealt with in the Holding Company's Accounts | |
| | i) For the Financial Year ended March 31, 2010 | Nil |
| | ii) For the previous Financial Year of the Subsidiary Company, since it become the Holding Company's Subsidiary | – |

For and on behalf of the Board of Directors

**P. P. Gupta**
*Managing Director*

**K. M. Poddar**
*Director*

Place : Kolkata,
Dated : 17th day of July, 2010

# Report on Corporate Governance

## Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to achieve excellence and growth through efficient management, transparency, trust and accountability. The management initiated 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. The Corporate Governance practice within the organisation aims at working towards value creation of employees, shareholders, other stakeholders and the society at large.

Your Company is yet to be listed with the stock exchanges as on the date of this report. However, it has complied with the requirements of the Code of Corporate Governance, as provided in Clause 49 of the Listing Agreement.

## Board of Directors

The Board of Directors is constituted in compliance with the Code of Corporate Governance. There are six Directors on the Board, five of which are Non-Executive Independent Directors. The Company has an Executive Chairman (Managing Director). The constitution of the Board, in terms of the Code of Corporate Governance was made on June 24, 2010. Therefore, the required details shall appear in the next report.

## Profile of Directors

Mr. P. P. Gupta, aged 60 years holds a Bachelors' degree in Engineering and a Post Graduate degree in Business Management from the Indian Institute of Management, Ahmedabad. He was associated with the Planning Commission, Government. of India, as a Financial Analyst; Bharat Heavy Electricals Limited as a Management Consultant and as an Advisor in the merchant banking division of the erstwhile ANZ Grindlays Bank, Kolkata. He was the Vice President of Indian Electricals and Electronics Manufacturers Association (IEEMA), and has over 33 years of experience, including 28 years in the present activity. Mr. Gupta is the present Promoter of the Company and holds 1,53,000 shares in the Company.

Mr. K. Vasudevan, aged 70 years, residing at 12, 7th Cross, Karpagam Gardens Adyar Chennai – 600020, is a Bachelor of Engineering (Electrical) and a fellow-member of the Institute of Engineers and Institute of standard Engineers. He is associated, as Chairman, with the Green Business Centre for the Southern region. He is a member of the National Committee on Power of CII and was a past-President of the Indian Electrical and Electronics Manufacturers Association. He was the Joint Managing Director of Alstom India Limited and is now an independent Director in Alstom Projects India Limited. He does not hold any shares in the Company.

Mr. K.K. Rai, aged 66 years, residing at # 1053, Sobha Aster, 5th Main, SRS Nagar Bilekahalli, BG Road, Bangalore – 560 076, is a Bachelor of Arts and member of C.A.I.I.B. He is a retired banking professional, having had 40 years of banking experience and had held important portfolios. He was the Executive Director of Allahabad Bank from 2001 to 2004. At present he holds directorships in many reputed companies. Mr. Rai holds 1,000 shares in the Company.

Mr. K. M. Poddar, aged 65 years, residing at 10D, Alipore Park Place, Kolkata – 700027 is a Bachelor of Commerce. He is a renowned industrialist, and has 41 years of vast experience in the fields of accounting and finance. He does not hold any shares in the Company.

Mr. V.D. Mohile, aged 78 years, residing at D-47, Narmada Apartments, Alakananda, New Delhi – 110019, is a Bachelor of Engineering (Electrical & Mechanical), and holds a Post Graduate Diploma in Industrial Management. He has been General Manager, Bharat Heavy Electrical Limited; Chairman, Orissa Power Generation Corporation; and Chief Executive, Indian Aluminum Co. Ltd. Mr. Mohile has a very sound technical knowledge. He holds 9,302 shares in the Company.

Mr. S. N. Roy, aged 67 years, residing at C/4/9, Phase III, Type W2B, Green Tower, Jadavpur, Kolkata – 700095, is a Bachelor of Engineering (Electrical) from the Indian Institute of Technology (IIT), Kharagpur. He started his career with Indian Oil Corporation (IOC) as a management trainee, and thereafter joined Bharat Heavy Electricals Limited (BHEL) in 1978 and retired as Executive Director in 2003. Mr. Roy has a very good technical background. He does not hold any shares in the Company.

## Disclosure on relationship between Directors

The Directors have no relationship between themselves except as Board colleagues.

## Remuneration of Directors

The Board has fixed the remuneration by way of sitting fees payable to the Non-Executive Directors, including Independent Directors, which is within the limits prescribed by the Companies Act, 1956. There is no other remuneration paid/payable to the Non-Executive Directors, except the sitting fees.

## Code of conduct

The Company prescribes the code of conduct for all Board members and senior management personnel; a report to that effect shall appear in the next report.

## Audit Committee

The Company constituted an Audit Committee which comprises four Non-Executive Independent Directors having sound financial and accounting knowledge:

| | | |
|---|---|---|
| Mr. K. Vasudevan | - Non-Executive (Independent) - | Chairman |
| Mr. K. K. Rai | - Non-Executive (Independent) - | Member |
| Mr. K. M. Poddar | - Non-Executive (Independent) - | Member |
| Mr. V. D. Mohile | - Non-Executive (Independent) - | Member |

Mr. N. Brahma, Company Secretary, acts as Secretary to the 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, defined by the Board, includes matters prescribed in Clause 49(II)(D) of the Listing Agreement. The Audit Committee is also empowered to review the following information:

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

## Shareholders'/Investors' Grievance Committee

The Company constituted a Shareholders'/Investors' Grievance Committee comprising three Non-Executive Independent Directors. The Committee addresses the grievances of shareholders. A report of this committee shall appear in the next report.

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

## Share Transfer Committee

The Company constituted a Share Transfer Committee to expedite the process of transfer/transmission of physical shares which are very negligible. The Committee shall approve share transfers/transmissions and a summary of transfers/ transmissions is to be placed before the Board at regular intervals.

## Remuneration Committee

The Company constituted a Remuneration Committee comprising three Independent Directors. The Committee determines and recommends the remuneration payable to the Non-Executive Directors and the Managing Director, among others.

## General Body Meetings

Particulars of General Body Meetings for the last year:

| Financial year ended | Day and date | Venue | Time | No. of Special Resolutions passed |
|---|---|---|---|---|
| March 31, 2009 AGM | Saturday, September 12, 2009 | 3rd Floor, Sai-Hira, Mundhwa Road, Pune – 411 036 | 11.30 a.m. | 2 |
| EGM | Saturday October 10, 2009 | 3rd Floor, Sai-Hira, Mundhwa Road, Pune – 411 036 | 10.30 a.m. | 1 |
| EGM | Tuesday, November 10, 2009 | P-46A, Radha Bazar Lane, Kolkata – 700 001. | 3.30 p.m. | 2 |

Particulars of General Body Meetings for the last three years of the Transferor Company:

| Financial year ended | Day and date | Venue | Time | No. of Special Resolutions passed |
|---|---|---|---|---|
| March 31, 2007 AGM | Saturday, August 25, 2007 | The Calcutta School of Music, 6B, Sunny Park, Kolkata-19 | 10.30 a.m. | Nil |
| March 31, 2008 AGM | Saturday, July 26, 2008 | The Calcutta School of Music, 6B, Sunny Park, Kolkata-19 | 11.00 a.m. | Nil |
| March 31, 2009 AGM | Thursday, September 17, 2009 | The Calcutta School of Music, 6B, Sunny Park, Kolkata-19 | 11.30 a.m. | 3 |
| EGM | Wednesday, March 17, 2010 | Bhartiya Bhasa Parisad 36, Shakesphere Sarani Kolkata – 700 017 | 3.30 p.m. | 1 |

## Subsidiary companies

The Company has a material non-listed Indian subsidiary company, and an Independent Director of the Company is also a Director of the subsidiary. Necessary compliance relating to the subsidiary shall be disclosed in the next year's report.

## 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. during the year, that may have potential conflict with the interest of the Company at large.
2. The Company is in the process of being listed with the stock exchanges, therefore, the disclosure requirement relating to the capital market shall be made in the next report.
3. No treatment different from the prescribed Accounting Standard has been followed in the preparation of the financial statements.
4. The Board assesses risk on a regular basis and advises the steps and procedures for its minimisation.
5. The Company has not raised any amount through public issues, rights issues, etc. during the year.
6. The Non-Executive Directors have not been paid any remuneration other than sitting fees.
7. A management discussion and analysis report is added to the Directors' report and forms part of this annual report.

## General shareholder information

| | | | |
|---|---|---|---|
| 1. | The fifth Annual General Meeting is scheduled to be held on or before 30th day of September, 2010 and the notice convening the same shall be sent to the shareholders within the time prescribed by the Companies Act, 1956. | | |
| 2. | Financial year | : | April to March |
| 3. | Financial calendar | : | The calendar for financial reporting (Reporting of financial results) be followed as per the Listing Agreement with the stock exchanges, after the shares are listed. |
| 4. | Date of book closure | : | The date of book closure be intimated with the notice convening the Annual General Meeting. |
| 5. | Dividend payment date | : | Within 30 days of declaration |
| 6. | Listing on stock exchanges: | | The shares of the Company are in the process of being listed with the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited. The market price data and comparison of stock performance will be presented in the next report. |
| 7. | Registrar and Transfer Agents | : | Niche Technologies Pvt. Limited, D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata – 700001. Tel : (033) 22357270 / 22357271, Fax : (033) 22156823, Email : nichetechpl@nichetechpl.com |
| 8. | 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 respects. |
| 9. | Shareholding pattern | : | As on March 2010, the entire equity and preference share capital of the Company were held by Techno Electric & Engineering Company Limited (Transferor Company) along with its associates. |
| 10. | The shares of the Company are tradable in dematerialised form with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN is INE286K01024 | | |
| 11. | The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments during the financial year. | | |
| 12. | Plant locations | : | The Company has 22 wind turbine generators in Tamilnadu and 8 wind turbine generators in Karnataka with aggregating generating capacity of 45 mw. |
| 13. | Company details : | | |
| | Address for correspondence | : | Techno Electric & Engineering Company Limited P-46A, Radha Bazar Lane, Kolkata – 700001. Tel : (033) 22254671, 22254472, 22253276 Fax : (033) 22254478, E-Mail : desk.investors@techno.co.in Website : http://www.techno.co.in |
| | Corporate Identity Number | : | U40108WB2005PLC139595 |

The compliance certificate on Corporate Governance, declarations and other certificates as per the requirement of the Listing Agreement shall be complied with and attached in the next report.

# Management discussion and analysis

## i) Industry structure and developments

With economic pace picking up, global commodity prices staged a comeback from their lows; and global trade subsequently saw a healthy growth over the last two years. However, in 2008-09 India's economy grew 6.7%, compared with over 9% in the years between 2005-06 and 2007-08. According to Finance Ministry projections, the Indian economy is expected to grow at least 7.6% in 2009-10, and may be among the fastest-growing economies in the near future. The Indian power sector witnessed some success stories in recent years, and has many challenges ahead, resulting from a gap between what is planned and that actually delivered. As on September 2009, India has an installed generating capacity of 152 GW and is considered to have the fifth-largest capacity in the world. The Indian power sector is poised for significant expansion in the Eleventh Plan. With a focus on increasing generation capacity in the next decade, the investment in the transmission sector is expected to increase. The current installed transmission capacity is only 13% of the total installed capacity. The Power Ministry's plan to establish an integrated National Power Grid in the country with a capacity of 2,00,000 MW, and an inter-regional power transfer capacity of more than 37,000 MW may be considered as an ambitious step for the sector and the country. The distribution segment was surrounded by many issues and some reform measures were undertaken to address the same. Being a highly regulated sector, policies and regulations play a pivotal role in the development of this sector.

## ii) Opportunities and threats

The Company operates in power generation through wind and commissioned 30 wind turbine generators in Tamil Nadu. Fiscal incentives and promotional measures initiated by the Ministry of New and Renewable Energy (MNRE) have helped the accelerated wind power development in India. The incentive package available for wind energy projects included tax concessions like 80% accelerated depreciation, tax holiday for power-generation projects, loans from IREDA, customs and excise duty relief; liberalised foreign investment procedures, among others. Preferential tariffs are being reviewed by state Electricity Regulatory Commissions (ERCs).

The report of research houses estimates Rs. 7,50,000 crore is likely to be invested in the power sector by 2013-14, out of which, Rs. 4,80,000 crore is expected to be invested in the power-generation area. Nearly half of the investments in the power-generation space are likely to be made by the private sector. This has created opportunities in the transmission sector as well. In order to encourage private sectors in the transmission line business, the government issued guidelines for private sector participation.

These developments subsequently created new opportunities for private sector participation mainly in generation segment.

## iii) Segment-wise performance

The Company operates in two business segments i.e. power-generation from renewable energy sources (wind power), and execution of power projects; comparatively performing better than others in the industry.

## iv) Outlook

The average per capita consumption of electricity in India is low compared with developed countries and other emerging nations. Power demand is increasing more rapidly than its supply. Alternative measures are being taken and alternative sources of power generation are being explored to narrow the gap between demand and supply. All-round expansion of the power sector has become a necessity for overall economic development. The Company also expanded its business to cope with recent sector developments, and entered the generation and transmission segment.

## v) Risks and concerns

The EPC business engaged in by the Company is working capital-intensive. There is always a question of risk involved owing to longer execution periods, fluctuations in material and equipment prices and costs overrun owing to delay in project completion, among others. This is a matter of concern and the Company has adapted to timely decision-making and internal policy measures to minimise risk. Further, the Company's success, to a large extent, depends on the abilities and continued services of its senior management and other skilled personnel in the middle management. The Company's senior management is particularly important to the business owing to their experience and knowledge of the power industry; the Company's middle management is important because of their experience and knowledge in project implementation. The loss or non-availability to the Company, of any of its senior or middle management, could have a significant adverse effect. The Company may also be unable to retain its present personnel or attract additional qualified personnel as and when needed. To the extent the Company will be required to replace any of its senior management or other skilled personnel, there can be no assurance that the Company will be able to locate or employ similarly qualified persons on acceptable terms, or at all. There is a lack of skilled personnel in the middle management across the power sector in which the Company operates. However, the Company's policy to recruit fresh graduates and diploma-holders and provide training to them, both at office and on site, has thus far worked well to minimise risk to.

The major risk in the power-generation business, apart from successful commissioning of the projects on time, is regulatory risk. The regulatory set-up at the State and Central levels were created following the Electricity Act, 2003; the regulatory process is undergoing regular changes as the Act is being selectively implemented. However, the Company is present in the non-conventional energy segment only and the new incentives like GBI, REC, among others, are being periodically introduced to make investments in this sector more attractive to the conventional power-generation business. Further, the Company has a 20-year firm tariff with state utilities in Tamil Nadu, and Karnataka (10 years), and no such risks are relevant in this case.

## vi) Internal control systems and their adequacy

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

## vii) Financial performance

During the year, the Company has achieved a turnover of Rs. 63,183.54 lacs from construction activities and Rs. 3,620.35 lacs from generation activities. The Company has also earned other income amounting to Rs. 5,246.84 lacs and profit after tax amounting to Rs. 11,381.37 lacs.

## viii) Human resource development and industrial relations

Addition of personnel in various departments is a pre-requisite to meet the Company's growing business needs. The Company added an adequate number of employees in the year under review, and committed to do the same on a regular basis as per future requirements. There were over 425 employees as on March 31, 2010; this is expected to grow further during the current year. Cordial relationships have been maintained between the employees and the management at all levels and at various 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. Factors that could make a difference to the Company's operations, inter-alia, include the economic conditions, government policies and other related/incidental factors.

# Auditors' Report

To
The Shareholders of
**Techno Electric & Engineering Company Limited**
(Formerly known as Super Wind Project Limited)

We have audited the Balance Sheet of Techno Electric & Engineering Company Limited (formerly known as Super Wind Project Limited) as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the said Company for the year ended on that date, annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.

c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) According to the information and explanations given to us and on the basis of written representations received from the Directors of the Company, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director under Section 274(1)(g) of the Companies Act,1956.

e) *Subject to Note no. 2 of part B of Schedule 13 regarding accounting of certain income and expenditure on cash basis, amount indeterminate,* in our opinion and to the best of our information and according to explanations given to us, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act,1956 and the said accounts, read together with the Accounting Policies and Notes appearing in Schedule 13, give the information required by the Companies Act,1956 in the manner so required and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at March 31, 2010 and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date and the cash flow statement gives a true and fair view of the cash flow for the year ended on that date in conformity with the accounting principles generally accepted in India.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act,1956 and on the basis of such checks as we considered appropriate and the information and explanations given to us, we further report that :

1. a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of fixed assets.

   b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.

   c) Substantial part of fixed assets have not been disposed off during the year.

2. a) The Inventories included under work-in-progress have been physically verified by the management during the year at reasonable intervals.

   b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and nature of its business.

   c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and the discrepancies noticed on the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

3. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence, clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable.

   b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence, clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.

5. In our opinion, and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(v)(b) of the Order is not applicable to the Company.

6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.

7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of Energy (Power) division of the Company and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. However, we have not made any detailed examination of cost records, to ascertain the accuracy and completeness thereof.

9. a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, custom duty, investor education and protection fund, wealth tax, service tax and any other material statutory dues applicable to it and there is no outstanding as on March 31, 2010 for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us, there are no dues in respect of Income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.

10. The Company has neither accumulated losses as at March 31, 2010 nor incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.

11. The Company has not defaulted in repayment of dues to financial institution or bank or debenture holders as may be ascertained from the examination of the books of account and other records of the Company.

12. According to information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund, nidhi, mutual benefit fund or society. Accordingly, clause 4(xiii) of the Order is not applicable.

14. We have broadly reviewed the books of account and records maintained by the Company and state that prima -facie, proper records have been maintained of the transactions and contracts relating to purchase and sale of shares, securities, debentures and other investments and timely entries have been made therein. All the investments have been held by the Company in its own name.

15. In respect of Corporate Guarantee given by the Company to banks as holders of debentures issued by the subsidiary company, the terms and conditions of the same are not prima-facie prejudicial to the interest of the Company. The Company has not given any other guarantee to banks and financial institutions for loans taken by others.

16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied for the purpose for which the loans were obtained.

17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, no funds raised on a short-term basis have been used for long-term investment.

18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. Adequate securities have been created in respect of debentures issued by the Company.

20. The Company has not raised any money by public issues during the year.

21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

Centre Point
21, Old Court House Street
Kolkata -700 001
The 17th day of July, 2010

**R. N. Bardhan**
*Partner*
Membership No. 17270

## Balance Sheet As at March 31, 2010

*(Amount in Rupees)*

| | Schedule No. | March 31, 2010 | | March 31, 2009 | |
|---|---|---|---|---|---|
| **SOURCES OF FUNDS** | | | | | |
| **Shareholders' Funds** | | | | | |
| Share Capital | 1 | 11,41,82,400 | | 85,79,06,000 | |
| Reserves & Surplus | 2 | 3,58,70,69,914 | | 29,54,50,110 | |
| | | | 3,70,12,52,314 | | 1,15,33,56,110 |
| **Loan Funds** | 3 | | 1,66,67,83,077 | | – |
| | | | **5,36,80,35,391** | | **1,15,33,56,110** |
| **APPLICATION OF FUNDS** | | | | | |
| **Fixed Assets** | 4 | | | | |
| Gross Block | | 2,86,20,23,146 | | 2,20,61,24,437 | |
| Less:Depreciation | | 25,66,50,780 | | 5,87,36,115 | |
| Net Block | | 2,60,53,72,366 | | 2,14,73,88,322 | |
| Capital Work-in-Progress | | – | 2,60,53,72,366 | 53,76,79,008 | 2,68,50,67,330 |
| **Investments** | 5 | | 1,86,47,06,949 | | – |
| **Current Assets, Loans & Advances** | 6 | | | | |
| A. Current Assets | | 1,41,49,78,173 | | 3,11,97,747 | |
| B Loans & Advances | | 1,70,13,85,125 | | 1,75,95,612 | |
| | | 3,11,63,63,298 | | 4,87,93,359 | |
| **Less: Current Liabilities & Provisions** | 7 | | | | |
| A. Current Liabilities | | 2,07,22,53,904 | | 1,61,51,66,720 | |
| B. Provisions | | 13,94,75,693 | | – | |
| | | 2,21,17,29,597 | | 1,61,51,66,720 | |
| **Net Current Assets** | | | 90,46,33,701 | | (1,56,63,73,361) |
| **Deferred Tax Assets/(Liabilities)** | 8 | | (66,77,625) | | – |
| **Profit & Loss Account** | | | – | | 3,46,62,141 |
| | | | **5,36,80,35,391** | | **1,15,33,56,110** |
| 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.

For **S. S. Kothari & Co.**
*Chartered Accountants*
Firm's Registration No. 302034E
**R. N. Bardhan**
*Partner*
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 17th day of July, 2010

**N. Brahma**
*Company Secretary*

**P. P. Gupta**
*Managing Director*
**K. M. Poddar**
*Director*

## Profit and Loss Account For the year ended March 31, 2010

*(Amount in Rupees)*

| | Schedule No. | 2009-2010 | 2008-2009 |
|---|---|---|---|
| **INCOME** | | | |
| Operating Income | 9 | 6,68,03,89,804 | 2,56,93,656 |
| Other Income | 10 | 52,46,83,507 | 2,55,265 |
| | | **7,20,50,73,311** | **2,59,48,921** |
| **EXPENDITURE** | | | |
| (Increase)/Decrease in Inventories | 11 | (6,32,96,135) | – |
| Operative, Administrative & Other Expenses | 12 | 5,62,48,47,016 | 18,69,915 |
| Interest | | 12,82,71,708 | 50,383 |
| Depreciation | | 14,67,15,160 | 5,87,36,115 |
| | | **5,83,65,37,749** | **6,06,56,413** |
| **PROFIT** | | | |
| Profit before Taxation | | 1,36,85,35,562 | (3,47,07,492) |
| Provision for Income Tax | | | |
| Current Tax | | 23,00,97,714 | – |
| For earlier years | | 4,548 | – |
| Provision for Wealth Tax | | | |
| For earlier years | | 49,669 | – |
| Provision for Fringe Benefit Tax | | | |
| Current Tax | | – | 475 |
| For earlier years | | 8,471 | – |
| Deferred Income Tax | | 2,33,656 | – |
| Security Transaction Tax | | 4,934 | – |
| Profit after Taxation | | 1,13,81,36,570 | (3,47,07,967) |
| Balance brought forward | | (3,46,62,141) | 45,826 |
| | | **1,10,34,74,429** | **(3,46,62,141)** |
| **APPROPRIATIONS** | | | |
| Transfer to General Reserve | | 78,83,00,000 | – |
| Transfer to Debenture Redemption Reserve | | 18,20,00,000 | – |
| Proposed Dividend | | 11,41,82,400 | – |
| Provision for Tax on Proposed Dividend | | 1,89,64,269 | – |
| Surplus carried to Balance Sheet | | 27,760 | (3,46,62,141) |
| | | **1,10,34,74,429** | **(3,46,62,141)** |
| Earning Per Share (Basic & Diluted) | | 19.94 | (1.46) |
| | | | |
| Significant Accounting Policies & Notes on Accounts | 13 | | |

The Schedules referred to above form an integral part of the Profit and Loss Account.

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

For **S. S. Kothari & Co.**
*Chartered Accountants*
Firm's Registration No. 302034E
**R. N. Bardhan**
*Partner*
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 17th day of July, 2010

**N. Brahma**
*Company Secretary*

**P. P. Gupta**
*Managing Director*
**K. M. Poddar**
*Director*

## Schedules to the Accounts

*(Amount in Rupees)*

| | | March 31, 2010 | | March 31, 2009 | |
|---|---|---|---|---|---|
| **1. SHARE CAPITAL** | | | | | |
| **Authorised** | | | | | |
| 42,49,00,000 | Equity Shares of Rs. 2 each | 84,98,00,000 | | 70,00,00,000 | |
| | (Previous Year 7,00,00,000 Equity Shares of Rs. 10 each) | | | | |
| 5,50,20,000 | Preference Shares of Rs. 10 each | 55,02,00,000 | | 55,00,00,000 | |
| | (Previous Year 55,00,000 Preference Shares of Rs. 100 each) | | | | |
| | | | 1,40,00,00,000 | | 1,25,00,00,000 |
| **Issued, Subscribed and Paid Up** | | | | | |
| 5,70,91,200 | Equity Shares of Rs. 2 each fully Paid up | | 11,41,82,400 | | 30,79,06,000 |
| | (Previous Year 3,07,90,600 Equity Shares of Rs. 10 each fully paid up) | | | | |
| NIL | 1% Redeemable Preference Shares of Rs. 10 each fully paid up | | – | | 55,00,00,000 |
| | (Previous Year 55,00,000 1% Redeemable Preference Shares of Rs. 100 each fully paid up) | | | | |
| | | | **11,41,82,400** | | **85,79,06,000** |

**Notes :**

**(i) Authorised Capital :**

(a) Equity Share of Rs. 10 each and Preference Share of Rs. 100 each of the Company were sub-divided into 5 equity shares of Rs. 2 each and 10 preference shares of Rs. 10 each respectively w.e.f. October 10, 2009. Consequently, the number of shares of both equity and preference shares stand increased.

(b) The Authorised Capital of the Company includes 7,49,00,000 equity shares of Rs. 2 each and 20,000 preference shares of Rs. 10 each transferred w.e.f. 01.04.2009 (appointed date) from the Transferor Company pursuant to Scheme of Amalgamation approved by the Hon'ble High Court at Calcutta vide its Order dated May 6, 2010.

**(ii) Issued, Subscribed and Paid up Capital :**

(a) 5,70,91,200 equity shares of Rs. 2 each, fully paid up and ranking pari pasu, are to be issued and allotted to the shareholders of the Transferor Company pursuant to Scheme of Amalgamation approved by the Hon'ble High Court at Calcutta vide its Order dated May 6, 2010. (Refer Note no. 6(c)(ii) in Schedule 13C)

(b) Further, pursuant to the aforesaid Order, 3,07,90,600 equity shares of Rs. 10 each (subsequently sub-divided into 15,39,53,000 equity shares of Rs. 2 each) and 55,00,000 redeemable cumulative Preference Shares of Rs. 100 each (subsequently sub-divided into 5,50,00,000 redeemable cumulative preference shares of Rs. 10 each) held by the Transferor Company stand cancelled.

## Schedules to the Accounts

*(Amount in Rupees)*

| | March 31, 2010 | | | March 31, 2009 | | |
|---|---|---|---|---|---|---|
| **2. RESERVES AND SURPLUS** | | | | | | |
| **Capital Reserve :** | | | | | | |
| Acquired on Amalgamation | 6,000 | | | | – | |
| Add : Created on Amalgamation | 15,72,59,773 | 15,72,65,773 | | | | |
| (Refer Note no. 6(c)(iii) | | | | | | |
| in Schedule 13C) | | | | | | |
| **Debenture Redemption Reserve :** | | | | | | |
| Created during the year | 18,20,00,000 | 18,20,00,000 | | | – | |
| **Share Premium Account :** | | | | | | |
| As per last Account | 29,54,50,110 | | | 15,85,60,990 | | |
| Add : Acquired on Amalgamation | 66,88,00,000 | | | – | | |
| Add : Addition during the year | – | | | 14,54,00,000 | | |
| Less : Share Issue Expenses | – | 96,42,50,110 | | (85,10,880) | 29,54,50,110 | |
| **General Reserve :** | | | | | | |
| Acquired on Amalgamation | 1,49,51,02,031 | | | – | | |
| Add: Transferred from | | | | | | |
| Profit & Loss Account | 78,83,00,000 | 2,28,34,02,031 | 3,58,69,17,914 | – | – | 29,54,50,110 |
| **Profit & Loss Account :** | | | | | | |
| Acquired on Amalgamation | 1,24,240 | | | | | – |
| Add : Transferred from | | | | | | |
| Profit & Loss Account | 27,760 | | 1,52,000 | | | – |
| | | | 3,58,70,69,914 | | | 29,54,50,110 |

### 3. LOAN FUNDS

| | | | | | | |
|---|---|---|---|---|---|---|
| **Secured Loans :** | | | | | | |
| (Refer note no. 5 in Schedule 13C) | | | | | | |
| Debentures | | | 50,00,00,000 | | | – |
| From Banks | | | 83,34,49,744 | | | – |
| From Others | | | 33,33,33,333 | | | – |
| | | | 1,66,67,83,077 | | | – |

## 4. FIXED ASSETS

*(Amount in Rupees)*

| Particulars | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2009 | upto March 31, 2009 (on Amalgamation) | Additions During the year | Sales/Adjust– ment during the year | Total upto March 31, 2010 | upto March 31, 2009 | upto March 31, 2009 (on Amalgamation) | For the year | On Sales/ Adjustment during the year | Total upto March 31, 2010 | As at March 31, 2010 | As at March 31, 2009 |
| Land | 5,62,00,000 | 1,22,752 | – | – | 5,63,22,752 | – | – | – | – | – | 5,63,22,752 | 5,62,00,000 |
| Factory Building | – | 7,20,328 | – | – | 7,20,328 | – | 6,05,604 | 24,059 | – | 6,29,663 | 90,665 | – |
| Non-Factory Building | – | 78,38,212 | – | – | 78,38,212 | – | 11,69,488 | 1,27,763 | – | 12,97,251 | 65,40,961 | – |
| Plant & Machinery | – | 3,90,75,964 | 33,95,842 | – | 4,24,71,806 | – | 1,80,84,330 | 14,81,312 | – | 1,95,65,642 | 2,29,06,164 | – |
| Plant & Machinery (Wind Mill) | 2,14,99,24,437 | – | 54,25,91,877 | – | 2,69,25,16,314 | 5,87,36,115 | – | 13,96,91,074 | – | 19,84,27,189 | 2,49,40,89,125 | 2,09,11,88,322 |
| Office Equipment | – | 2,88,72,376 | 49,90,524 | 83,700 | 3,37,79,200 | – | 2,10,50,397 | 29,24,074 | 15,000 | 2,39,59,471 | 98,19,729 | – |
| Furniture & Fixture | – | 43,37,226 | 25,29,950 | – | 68,67,176 | – | 38,63,224 | 8,14,870 | – | 46,78,094 | 21,89,082 | – |
| Construction Vehicle | – | 74,49,534 | 32,05,242 | 12,18,845 | 94,35,931 | – | 38,32,641 | 6,69,968 | 11,37,017 | 33,65,592 | 60,70,339 | – |
| Vehicle | – | 1,13,61,327 | 7,10,100 | – | 1,20,71,427 | – | 37,45,838 | 9,82,040 | – | 47,27,878 | 73,43,549 | – |
| **Total** | **2,20,61,24,437** | **9,97,77,719** | **55,74,23,535** | **13,02,545** | **2,86,20,23,146** | **5,87,36,115** | **5,23,51,522** | **14,67,15,160** | **11,52,017** | **25,66,50,780** | **2,60,53,72,366** | **2,14,73,88,322** |
| Figures for the Previous year | 1,80,00,000 | | 2,18,81,24,437 | – | 2,20,61,24,437 | – | | 5,87,36,115 | – | 5,87,36,115 | 2,14,73,88,322 | |

**Notes:**

1. Conveyance Deeds in respect of Non-Factory Buildings amounting to Rs. 68,43,669 of the transferor company are in the process of being executed in favour of the Company.

## Schedules to the Accounts

*(Amount in Rupees)*

| | Face Value Per Share/Unit | March 31, 2010 | | March 31, 2009 | |
|---|---|---|---|---|---|
| **5. INVESTMENTS** | | | | | |
| | Rs. | Nos. | Rs. | Nos. | Rs. |
| **Unquoted** | | | | | |
| **Fully Paid-Equity Shares:** | | | | | |
| Tega India Ltd. | 10 | 7 | 70 | – | – |
| Techno Leasing & Finance Co. Pvt. Ltd. | 10 | 10 | 100 | – | – |
| Techno International Ltd. | 10 | 1,70,060 | 17,00,600 | – | – |
| North Dinajpur Power Ltd. | 10 | 20,000 | 2,00,000 | – | – |
| Rajgarh Bio-Power Ltd. | 10 | 20,000 | 2,00,000 | – | – |
| Simran Wind Project Pvt. Ltd. (A Subsidiary Company) | 10 | 10,64,00,400 | 1,36,51,54,781 | – | – |
| Techno Ganga Nagar Green Power Generating Co. Ltd. | 10 | 20,994 | 2,09,940 | – | – |
| Techno Birbhum Green Power Generating Co. Ltd. | 10 | 20,994 | 2,09,940 | – | – |
| **Fully Paid Bonds:*** | | | | | |
| 9.75% HPFC Bonds 2012 | 25,00,000 | 1 | 25,62,500 | – | – |
| **Debentures: *** | | | | | |
| 14% Unitech Ltd. NCD 17/01/2011 | 10,00,000 | 500 | 48,90,25,000 | – | – |
| | | | 1,85,92,62,931 | | – |
| **Quoted** | | | | | |
| **Fully Paid–Equity Shares:** | | | | | |
| Spentex Industries Ltd. | 10 | 30,954 | 18,51,678 | – | – |
| GIC Housing Finance Ltd. | 10 | 64,500 | 25,80,000 | – | – |
| Ascu Arch Timber Protection Ltd. | 10 | 50,617 | 10,12,340 | – | – |
| | | | 54,44,018 | | – |
| | | | 1,86,47,06,949 | | – |
| | | | | | |
| Aggregate Value of Unquoted Investments | | | 1,85,92,62,931 | | – |
| Aggregate Value of Quoted Investments | | | | | |
| Book Value | | | 54,44,018 | | – |
| Market Value | | | 67,70,479 | | – |

*Represents Short term Investment

## Schedules to the Accounts

*(Amount in Rupees)*

| | March 31, 2010 | | March 31, 2009 | |
|---|---|---|---|---|
| **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.2 of Schedule 13C) | | 6,96,56,560 | | – |
| **Sundry Debtors** (Unsecured & Considered Good) | | | | |
| Debts outstanding for a period exceeding Six months | 5,34,66,171 | | 28,00,000 | |
| Others | 32,79,79,417 | 38,14,45,588 | 91,40,754 | 1,19,40,754 |
| **Retention Money Receivable** (Unsecured & Considered Good) | | | | |
| Outstanding for a period exceeding Six months | 39,94,52,958 | | – | |
| Others | 43,95,43,417 | 83,89,96,375 | – | – |
| **Cash and Bank Balances** | | | | |
| Cash in hand (As certified) | | 35,34,590 | | 4,228 |
| **Balance with Scheduled Banks** | | | | |
| On Current Account | 4,81,89,659 | | 12,52,765 | |
| On Fixed Deposits | 7,31,26,461 | | 1,80,00,000 | |
| On Margin Deposit | 28,940 | 12,13,45,060 | – | 1,92,52,765 |
| | | **1,41,49,78,173** | | **3,11,97,747** |
| **B. Loans and Advances** (Unsecured & Considered Good) | | | | |
| Loans (including accrued interest) | | 76,99,94,148 | | – |
| Advances recoverable in cash or in kind or for value to be received | | 91,67,05,015 | | 1,75,26,284 |
| Income Tax paid in advance & Tax deducted at source (Net of Provision of Tax Rs. 68,65,60,874) | | 19,41,837 | | 67,303 |
| Fringe Benefit Tax paid in advance (Net of Provision of Tax Rs. 1,11,50,475) | | 9,94,722 | | (475) |
| Deposits | | 1,17,49,403 | | 2,500 |
| | | **1,70,13,85,125** | | **1,75,95,612** |

## Schedules to the Accounts

*(Amount in Rupees)*

| | March 31, 2010 | | March 31, 2009 | |
|---|---|---|---|---|
| **7. CURRENT LIABILITIES & PROVISIONS** | | | | |
| **A. Current Liabilities :** | | | | |
| Offered to Deities Shree Ganeshji | | 193 | | – |
| Sundry Creditors | | 63,06,81,305 | | 1,61,51,66,720 |
| Advance Received from Customers | | 1,44,05,95,837 | | – |
| Unpaid Dividend | | 9,76,569 | | – |
| | | **2,07,22,53,904** | | **1,61,51,66,720** |
| **B. Provisions :** | | | | |
| Leave Encashment | | 63,29,024 | | – |
| Proposed Dividend | | 11,41,82,400 | | – |
| Tax on Proposed Dividend | | 1,89,64,269 | | – |
| | | **13,94,75,693** | | **–** |

| | | | | |
|---|---|---|---|---|
| **8. DEFERRED TAX ASSETS / (LIABILITIES)** | | | | |
| **Deferred Tax Liabilities:** | | | | |
| Depreciation on Fixed Assets | | (66,77,625) | | – |
| | | **(66,77,625)** | | **–** |

| | 2009-2010 | | 2008-2009 | |
|---|---|---|---|---|
| **9. OPERATING INCOME** | | | | |
| **Sales :** | | | | |
| EPC (Construction) | 6,31,83,54,412 | | – | |
| Energy (Power) | 36,20,35,392 | 6,68,03,89,804 | 2,56,93,656 | 2,56,93,656 |
| | | **6,68,03,89,804** | | **2,56,93,656** |

| | | | | |
|---|---|---|---|---|
| **10. OTHER INCOME** | | | | |
| Dividend (including Rs. 37,87,671 from subsidiary company) | | 1,80,54,188 | | – |
| **Interest :** | | | | |
| On Loans and Advances | | 25,51,58,446 | | – |
| On Investments | | 10,59,28,954 | | – |
| On Fixed Deposit | | 65,58,190 | | 2,55,265 |
| Profit on Sale of Investments (Net) (including Rs. 1,89,38,356 received from subsidiary company as premium on redemption of preference shares) | | 9,01,55,479 | | – |
| Profit on Sale of Fixed Assets | | 83,347 | | – |
| Exchange Rate Difference | | 4,79,31,345 | | – |
| Miscellaneous Receipts | | 8,13,558 | | – |
| | | **52,46,83,507** | | **2,55,265** |

## Schedules to the Accounts

*(Amount in Rupees)*

| | 2009-2010 | | 2008-2009 | |
|---|---|---|---|---|
| **11. (INCREASE) / DECREASE IN INVENTORIES** | | | | |
| Contract Work-in-Progress as on April 1, 2009 (Acquired on Amalgamation) | 63,60,425 | | – | |
| Less: Closing Stock: | | | | |
| Contract Work-in-Progress | 6,96,56,560 | (6,32,96,135) | – | – |
| | | **(6,32,96,135)** | | **–** |

### 12. OPERATIVE, ADMINISTRATIVE AND OTHER EXPENSES

| | | 2009-2010 | | 2008-2009 |
|---|---|---|---|---|
| Materials, Stores and Services | | 4,91,35,33,064 | | – |
| Salaries, Wages, Gratuity & Bonus | | 18,30,12,310 | | 1,51,532 |
| Contributions to Provident & Other Funds | | 1,08,20,302 | | – |
| Staff Welfare | | 2,52,51,498 | | – |
| ESI Contribution | | 3,21,915 | | – |
| Freight & Handling Charges | | 6,28,60,252 | | – |
| Travelling & Conveyance | | 5,52,92,998 | | 6,772 |
| Rent | | 1,66,75,637 | | – |
| Rates & Taxes | | 2,03,605 | | 6,050 |
| Insurance | | 1,76,35,452 | | 2,15,847 |
| Sales Tax (Net) | | 7,42,75,001 | | – |
| Service Tax (Net) | | 3,26,60,940 | | – |
| Marketing Commission | | 19,16,500 | | – |
| Power & Fuel | | 65,65,302 | | – |
| Hire Charges | | 46,92,264 | | – |
| Repairs to Plant & Machinery | | 6,53,445 | | – |
| Auditors' Remuneration | | 3,65,652 | | 44,120 |
| Bank Charges | | 4,65,87,606 | | 21,885 |
| Loss on Sale of Fixed Assets | | 10,875 | | 10,57,627 |
| Miscellaneous | | 17,15,12,398 | | 3,66,082 |
| | | **5,62,48,47,016** | | **18,69,915** |

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. Background:

Techno Electric & Engineering Company Limited (Formerly known as Super Wind Project Limited) ("the Company") was incorporated on October 26, 2005 to carry on in India and anywhere else in the World the business of and as an independent power project company and for the purpose to establish, develop, install, commission, acquire, operate and maintain non-conventional and renewable power projects.

The Company was converted into a public limited company on December 11, 2009 and consequently the word 'Private' has been deleted from its name.

Pursuant to and as envisaged in the Scheme of Amalgamation, the name of the Company stands changed to "Techno Electric & Engineering Company Limited" and a fresh Certificate of Incorporation has been obtained on July 14, 2010.

Pursuant to Scheme of Amalgamation, the business of erstwhile Techno Electric & Engg. Co. Ltd. which was engaged in the business of engineering, procurement and construction (EPC) with its focus primarily on the Indian power Sector have been transferred to the Company and formed an integral part of the business of the Company.

B. Significant Accounting Policies:

1. Accounting Concept:

The Accounts are prepared under the historical cost convention. Accounting Policies not referred to otherwise are consistent with Generally Accepted Accounting Principles and comply with the applicable Accounting Standards.

2. Recognition of Income & expenditure:

The Company follows Mercantile System of Accounting and recognises Income and Expenditure on accrual basis. However, since it is not possible to ascertain with reasonable accuracy, the quantum to be provided in respect of Warranty and Liquidated Damages, Works Contract Tax, Marketing Commission, Bill Discounting Charges, Insurance Claims, Export Benefits, the same are accounted for on cash basis.

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.

Revenue from sale of Energy (Power) is recognised on the basis of electrical units generated, net of wheeling and transmission loss as applicable, as stated in the Power Purchase Agreement entered into between the Company and the State Utilities of Tamil Nadu and Karnataka.

4. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

5. Earning per share:

Basic earning per share is calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

6. Fixed Assets:

(a) Fixed Assets are stated at their original cost, less accumulated depreciation. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

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

(c) Depreciation is calculated at the rates specified in Schedule XIV to the Companies Act,1956 and is provided for on Straight Line Method on all assets except Office Equipments, Furniture & Fixtures which is provided for on Written Down Value Method.

7. 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.

## Schedules to the Accounts

### 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

**8. Investments:**

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

**9. 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.

**10. Foreign Currency Transactions:**

Foreign Currency Transactions are normally recorded on the basis of exchange rates prevailing on the date of their occurrences. 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, except in respect of fixed assets which is adjusted to the value of asset.

**11. Retirement Benefits:**

Contributions to defined contribution scheme in the form of provident and other funds are charged to the Profit and Loss Account. In respect of certain employees, Provident Fund contributions are made to Trust administered by the trustees. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and short fall, if any, shall be made good by the Company.The remaining contributions are made to a Government-administered Provident Fund towards which the Company has no further obligations beyond its monthly contribution.

The Company has defined benefit plan for post-employment benefit in the form of gratuity for all employees, which are controlled by a Trust, administered by the Trustees, Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet date carried out by an independent actuary. The actuarial method used for measuring the liability is the projected unit credit method.

In respect of leave encashment benefits to employees, liability is provided for on the basis of actuarial valuation as at the the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the projected unit credit method.

**12. 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.

The Company's business units, engaged in generation of electricity from Wind Mills at various locations, are eligible for 100% tax holiday for a period of 10 consecutive years out of 15 years, from the year in which the generation of power is started. Accordingly, the tax holiday period for the Units are likely to expire on various dates after financial year ending on 31.03.2023. Timing difference between the tax basis and the carrying values of assets and liabilities of the Units, which originate during the year but reverse during the tax holiday period are not recognised in the year in accordance with the requirements of Accounting Standard - 22: Accounting for Taxes of Income.

**13 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.

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

**14. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

**C. Notes on Accounts:**

**1. Contingent Liabilities not provided for in respect of :**

i) Letters of Credit outstanding Rs. 35,05,74,403.

ii) Corporate Guarantee issued for loans obtained by a subsidiary company Rs. 80,00,00,000.

**2.** Materials and Stores purchased during the year include Stores Rs. 13,17,48,067. The consumption of such materials included in outlay and contract work-in-progress have been taken by the Auditors as certified.

**3.** a) Interest paid includes Rs. 1,35,61,645 on Debentures and Rs. 8,36,16,983 on Term Loans.

b) Sundry Creditors include Rs. 39,04,109 & Rs. 22,32,328 being interest accrued but not due on debenture and term loan respectively.

**4.** The Deferred Tax Liabilities of Rs. 2,33,656 for the year has been recognised in the Profit and Loss Account.

**5. Secured Loans** *(Amount in Rupees)*

| | 2009-2010 | 2008-2009 |
|---|---|---|
| **a) Term Loan** | | |
| i) From DBS Bank Ltd. | 50,00,00,000 | – |
| ii) From Indusind Bank Ltd. | 33,33,33,333 | – |
| iii) From Rabo India Finance Ltd. | 33,33,33,333 | – |
| | 1,16,66,66,666 | – |

b) i) Term Loan from DBS Bank Ltd. is secured by way of first charge on the entire fixed assets of the EPC (Construction) Division, movable & immovable, present and future, ranking pari-pasu with existing charge holders and personal guarantee of the erstwhile Director of the transferor company.

ii) Term loan from IndusInd Bank Ltd. is secured by way of equitable mortgage of land and hypothecation of fixed assets and current assets of Energy (Power) Division, ranking pari-pasu with other lenders and corporate guarantee of the transferor company.

iii) Term loan from Rabo India Finance Ltd. is secured by first charge by way of hypothecation over all the movable properties and mortgage of all the immovable properties of Energy (Power) Division, ranking pari-pasu with the IndusInd Bank Ltd. and corporate guarantee of the transferor company.

b) **500 Debenture (7.5% Non-convertible of Rs. 10,00,000 each)** 50,00,00,000

Debentures are secured by way of mortgage and creation of charge in favour of the trustees (IDBI Trusteeship Services Ltd.) on the immovable properties and movable properties of Simran Wind Project Private Ltd., a wholly owned subsidiary company and a non-disposal undertaking executed in favour of the trustees on a pari-pasu basis with debenture-holders of Simran Wind Project Private Ltd.

The Debentures are redeemable at par in 11 equal quarterly installments commencing from May 20, 2010.

c) **Vehicle Loan from Banks**

Secured against hypothecation of specified vehicles 1,16,411

d) The Company also enjoys an overdraft facility with Scheduled Banks against hypothecation of Components, Raw-Materials, Work-in-Progress, Plant & Machinery, Book Debts ranking pari-pasu with other borrowings and personal guarantee of an erstwhile Director of the transferor company.

# Schedules to the Accounts

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

6. **Disclosures in accordance with AS-14,"Accounting for Amalgamation":**

(a) **Particulars of the Scheme:**

Pursuant to the Scheme of Amalgamation between the Company and Techno Electric & Engineering Co. Ltd. (the Transferor Company), as approved by the Hon'ble High Court at Calcutta vide its Order dated May 6, 2010, the Transferor Company stands amalgamated with the Company with effect from April 1, 2009 (the appointed date). Consequently, all the properties, assets, rights and powers of the Transferor Company and all the debts, liabilities, duties and obligations of the Transferor Company including all rights, powers, interests, authorities, privileges, liberties and all properties and assets, movable or immovable, freehold or leasehold, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent or whatsoever nature and wherever situate including all land, buildings, plant and machinery, office equipments, inventories, investments in shares, debentures, bonds and other securities, sundry debtors, cash and bank balances, loans and advances, leases and all other interests and rights in or arising out of such property together with all liberties, easements, advantages, exemptions, approvals, licenses, trade marks, patents, copyrights, import entitlements and other quotas, if any, held, applied for or as may be obtained hereafter by the Transferor Company or which the Transferor Company is entitled together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records of the Transferor Company stand transferred to the Company.

(b) The effective date of the amalgamation was May 26, 2010 and the appointed date was April 1, 2009.

(c) The amalgamation has been accounted for under "Pooling of interest method" as prescribed by the Accounting Standard -14; Accounting for Amalgamation issued by the institute of Chartered Accountants of India, in accordance to which:

i) The assets and liabilities of the transferor company have been incorporated in Financial Statements of the Company at their carrying amounts.

ii) In terms of the said Scheme of Amalgamation, the shareholders holding 5,70,91,200 Equity Shares of Rs. 2 each fully paid up in the transferor company are to be allotted one new Equity Share of Rs. 2 each fully paid up of the transferee company for every Equity Share of Rs. 2 each fully paid up held by them in the transferor company.

Accordingly 5,70,91,200 new Equity Shares were allotted to the shareholders at a Board of Directors' meeting held on July 10, 2010

iii) An amount of Rs. 15,72,59,773 being the difference between the carrying amount of investments in Redeemable Preference Shares of the transferee company held as investments by the transferor company and that in the books of the transferee company under Preference Share Capital has been shown under Capital Reserve of the transferee company.

iv) The Assets and Liabilities as on April 1, 2009 of the transferor company taken over by the Company were as follows:

| | *(Amount in Rupees)* |
|---|---|
| **Assets** | |
| Net Fixed Assets | 4,74,26,197 |
| Investments | 1,51,43,89,077 |
| Current Assets, Loans & Advances | 2,61,97,48,059 |
| **Liabilities** | |
| Secured Loans | 42,01,16,553 |
| Current Liabilities & Provisions | 1,47,67,88,140 |
| Deferred Tax Liabilities | 64,43,969 |
| **Net Worth** | **2,27,82,14,671** |

7. **Disclosures in accordance with revised AS-15 on "Employees Benefits"-** *(Amount in Rupees)*

| Particulars | 2009-2010 |
|---|---|
| a) **Defined Contribution Plans:** | |
| The Company has recognized the following amount in the Profit & Loss Account for the year: | |
| Employer contribution to Provident & Other Funds | 99,96,773 |

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

*(Amount in Rupees)*

| | | 2009-2010 |
|---|---|---|
| b) | **Defined Benefit Plans:** | |
| | **Gratuity** | |
| | The following figures are as per actuarial valuation as at the Balance Sheet date carried out by an independent actuary: | |
| i) | **Present value of defined benefit obligation:** | |
| | Present value of obligations at beginning of the year | 1,53,66,557 |
| | Service Cost | 18,48,031 |
| | Interest Cost | 10,17,930 |
| | Benefits settled | (35,88,311) |
| | Actuarial (gain)/loss | 14,07,168 |
| | Present value of obligations at the end of the year | 1,60,51,375 |
| ii) | **Change in fair value of plan assets:** | |
| | Fair value of planned assets at beginning of the year | 2,67,71,496 |
| | Acquisition adjustments | – |
| | Expected return on planned Assets | 21,41,719 |
| | Actuarial gain/(loss) | (3,69,229) |
| | Contribution | 6,84,819 |
| | Benefits settled | (35,88,311) |
| | Fair value of planned assets at the end of the year | 2,56,40,494 |
| iii) | **Reconciliation of present value of the defined obligation plan and the fair value of the planned assets:** | |
| | Fair value of planned assets at the end of the year | 2,56,40,494 |
| | Present value of the defined benefit obligations at the end of the year | 1,60,51,375 |
| | * Asset/(Liability) | 95,89,119 |
| | * The excess of assets over liabilities in respect of Gratuity have not been recognised as they are lying in an Income Tax approved irrevocable trust fund. | |
| iv) | **Net Gratuity and other Cost:** | |
| | Service Cost | 18,48,031 |
| | Interest Cost | 10,17,930 |
| | Expected return on planned assets | (21,41,719) |
| | Actuarial (gain)/loss | 17,76,397 |
| | Net Gratuity Cost | 25,00,639 |
| v) | **Actuarial Assumptions:** | |
| | Discount Rate | 7.50% |
| | Inflation Rate (Salary escalation rate) | 5.00% |
| | Return on Assets | 8.00% |
| vi) | **For each major category of planned assets following is the percentage that each major category constitute of the fair value of the planned assets:** | |
| | Central Government Securities | 21.75% |
| | State Government Securities | 11.96% |
| | PSU Bond | 29.60% |
| | Investment with Bank in Special Deposit Scheme | 10.89% |
| | administered by Birla Sun Life Insurance Company Limited | 25.80% |
| | | 100.00% |

As the Company did not have qualifying number of employees in the previous year, figures for the previous year are not applicable.

8. Fixed Deposit Receipts of Rs. 6,44,16,971 are lodged with the Bankers of the Company as Margin against Bank Guarantees Issued/ to be issued in favour of the Company.

9. In the opinion of the management, diminutions in the value of certain Investments Rs. 16,53,439 are temporary in nature and hence no provision has been made for the same.

10. Fixed deposit receipts amounting to Rs. 28,29,063 are lodged with a client / Sales Tax authorities as Security / Registration Deposits.

11. To the extent identified from available information, there is no amount due to micro, small and medium size enterprises as on March 31, 2010

## Schedules to the Accounts

### 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

12. Investments:

| Investments purchased and sold during the year | Units | Nos. | Face Value (Rs.) |
|---|---|---|---|
| Birla Sunlife Liquid Plus | " | 11259002.85 | 10 |
| Birla Sunlife Saving Inst.Div.Monthly | " | 15824832.48 | 10 |
| Birla Sunlife Cash Plus Inst. Premium Growth | " | 8360388.48 | 10 |
| M43 Fortis Overnight Inst. Growth | " | 19215127.44 | 10 |
| Fortis Money Plus Inst Weekly Div | " | 14050418.12 | 10 |
| M17G Fortis Money Plus Inst. Growth | " | 7368865.81 | 10 |
| HDFC Liquid Fund Premium Plus | " | 7661922.32 | 10 |
| HDFC Floating Rate Income St Wholesale Dw | " | 20838411.99 | 10 |
| HDFC Liquid Fund Premium Plus Plan Div | " | 11668114.14 | 10 |
| P3IISG, ICICI Prudential Institutional Liquid Plan- Supr Inst. Growth | " | 21491967.59 | 10 |
| ICICI Prudential Flexi Income Plan | " | 12895695.80 | 10 |
| J.M. Highly Liquidity Fund | " | 7174167.26 | 10 |
| J.M. Money Manager Super Plus DF | " | 45276107.25 | 10 |
| J.M. High Liquidity Fund Super Inst. Plan Growth | " | 27220570.70 | 10 |
| J.M. High Liquidity Fund Super Inst. Plan Growth (94) | " | 10186149.65 | 10 |
| Reliance Liquidity Fund (Growth Option) | " | 101077481.29 | 10 |
| Reliance Money Manager Fund | " | 2248123.26 | 1000 |
| Reliance Liquid Fund Treasury Plan-Inst. Option Growth Opt. Growth Plan | " | 96983573.65 | 10 |
| Tata Floating Rate Short Term Inst. Plan Growth | " | 1066353.24 | 10 |
| | Shares | | |
| Electrosteel Integrated Ltd | " | 12000000.00 | 10 |
| Simran Wind Project Pvt Ltd (Pref. Shares) | " | 2500000.00 | 100 |
| | Bonds | | |
| 10.65% APPFCL Bonds 29/06/2013 | " | 100.00 | 100000 |
| 7.80% APGENCO Bonds 2014 | " | 1.00 | 1000000 |
| 8.85 % Allahabad Bank Bonds 29/09/2016 | " | 183.00 | 1000000 |
| 9% APSFC Bonds 03/01/2019 | " | 20.00 | 1000000 |
| 12.50 % APPFCL Bonds 06/06/2013 | " | 450.00 | 100000 |
| 11.60 % APTRANSCO Bonds 15/04/2014 | " | 100.00 | 100000 |
| 7.45 % Bank Of Baroda Bonds 28/04/2015 | " | 1.00 | 1000000 |
| 9.20 % BOB Perpetual Bonds | " | 173.00 | 1000000 |
| 9.25 % BOM Perpetual Bonds | " | 15.00 | 1000000 |
| 10.55 % BOI Perpetual Bonds | " | 18.00 | 1000000 |
| 9 % Bank of India Perpetual Bonds | " | 20.00 | 1000000 |
| 8.85% Canara Bank Bond | " | 50.00 | 1000000 |
| 8.95% Central Bank of India Bonds 4-10-2016 | " | 99.00 | 1000000 |
| 9% Canara Bank Bonds 2018 | " | 15.00 | 1000000 |
| 9.15 % Citi Corp Fin Ltd. Bonds 23/07/2009 | " | 116.00 | 1000000 |
| 9.20 % Central Bank Of India Bonds 2017 | " | 200.00 | 1000000 |
| 9.48% Citi Fin Con. Fin Bonds 30/01/2013 | " | 188.00 | 1000000 |
| 9% Corporation Bank Perpetual Bonds | " | 7.00 | 1000000 |
| 8.80 % CBI Bonds 23/06/2024 | " | 247.00 | 1000000 |
| 9% Canara Bank Perpetual Bonds | " | 6.00 | 1000000 |
| 0% CCIL NCD Series 177 15/09/2009 | " | 93.00 | 1000000 |
| DLF Ptc 26/05/2009 | " | 71000.00 | 1000 |
| DLF Ptc 11/05/2009 | " | 8.00 | 12000000 |
| 9.20% Dena Bank Upper Tier II Bonds 2021 | " | 249.00 | 1000000 |
| 9.25 % Dena Bank Bonds 24/05/2018 | " | 93.00 | 1000000 |
| 11.25 % DCB Bonds 30/04/2015 | " | 39.00 | 1000000 |
| 6.05 % GOI 02/02/2019 | " | 1.00 | 123200000 |
| 8.33% GOI Loan 07/06/2036 | " | 10000.00 | 100 |
| 9.60 % GE Shipping Bonds 10/11/2019 | " | 232.00 | 1000000 |
| 11.25% HDFC Ltd Bonds 04/09/2018 | " | 3.00 | 1000000 |
| 11.95 % HDFC Ltd 26/11/2018 | " | 150.00 | 1000000 |
| 9.90 % HDFC Ltd 23/12/2018 | " | 50.00 | 1000000 |
| 9.70 % HDFC Ltd Bonds 19/07/2017 | " | 5.00 | 1000000 |
| 9.05 % HUDCO Bonds 29/11/2016 | " | 1.00 | 1000000 |
| 9.10 % HDFC Bank Bonds 05/09/2016 | " | 50.00 | 1000000 |
| 9.20 % HDFC Bonds 07/02/2018 | " | 20.00 | 1000000 |
| 9.98% ICICI Bank Perpetual Bonds | " | 9.00 | 1000000 |
| 8.95% IDFC Bonds 17/01/2018 | " | 77.00 | 1000000 |
| 10.70% IRFC Bonds 11/09/2023 | " | 130.00 | 1000000 |
| 11.30% IDBI Bonds 15/12/2018 | " | 73.00 | 1000000 |
| 8.50% IRFC Bonds 26/12/2023 | " | 180.00 | 1000000 |
| 8.65% IRFC Bonds 15/01/2024 | " | 171.00 | 1000000 |
| 6.85% IIFCL Tax Free Bonds 22/01/2014 | " | 10531.00 | 100000 |
| 6.85 % IIFCL Taxfree Bonds 20/03/2014 | " | 23886.00 | 100000 |
| 8.10% IIFCL Bonds 08/04/2024 | " | 2527.00 | 1000000 |
| 8.95 % IDBI Bonds 21/09/2016 | " | 11.00 | 1000000 |

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

### 12. Investments (Contd.):

| Investments purchased and sold during the year | Units | Nos. | Face Value (Rs.) |
|---|---|---|---|
| 9.24 % IOB Bonds 05/09/2021 | " | 553.00 | 1000000 |
| 9.75 % ICICI Home Finance Ltd 24/04/2019 | " | 44.00 | 1000000 |
| 6.20% IDBI Bonds 2011 | " | 10.00 | 1000000 |
| 8.55 % IRFC Bonds 15/01/2019 | " | 227.00 | 1000000 |
| 10.25 % IOC Bonds 17/07/2016 | " | 14.00 | 2000000 |
| 9.50 % IDBI Perpetual Bonds | " | 14.00 | 1000000 |
| 10 % IDFC Bonds 16/12/2013 | " | 42.00 | 1000000 |
| 10.60% IRFC Bonds 11/09/2018 | " | 1.00 | 1000000 |
| 11 % IDBI Bonds 26/09/2018 | " | 23.00 | 1000000 |
| 12 % IDBI SLR Bonds 2012 | " | 20000.00 | 1000 |
| 11.50 % ICICI SLR Bonds 2011 | " | 38500.00 | 1000 |
| 10.20 % IFCI Ltd Bonds 20/06/2019 | " | 270.00 | 1000000 |
| 12% IDBI SLR Bonds 2011 | " | 4000.00 | 1000 |
| 12 % ICICI SLR Bonds 2011 | " | 46000.00 | 1000 |
| 9.75% IFCI Ltd Bonds 31/07/2019 | " | 777.00 | 1000000 |
| 8.46 % IRFC Bonds 15/01/2014 | " | 10.00 | 1000000 |
| 8.19 % IRFC Bonds 27/04/2019 | " | 20.00 | 1000000 |
| 9.05 % IDFC Bonds 31/08/2024 | " | 231.00 | 1000000 |
| 10.20% IFCI Bonds 30/06/2019 | " | 70.00 | 1000000 |
| 9 % IDBI Bonds 25/09/2024 | " | 106.00 | 1000000 |
| 9.30 % IOB Perpetual Bonds | " | 6.00 | 1000000 |
| 8.95 % IDBI Bonds 26/06/2024 | " | 30.00 | 1000000 |
| 9.10% IDFC Bonds 08/02/2018 | " | 17.00 | 1000000 |
| 8.55 % IIFCL Bonds 03/11/2024 | " | 133.00 | 1000000 |
| 8.90 % IDBI Upper Tier II Bonds 19/11/2024 | " | 156.00 | 1000000 |
| 12% IIBI SLR Bonds 13/01/2012 | " | 21000.00 | 1000 |
| 8.53 % IDBI Bonds 23/11/2019 | " | 18.00 | 1000000 |
| 8.90% KRCL Bonds 01/09/2016 | " | 5.00 | 1000000 |
| 10.50 % L&T Fin. Ltd Bonds 20/02/2018 | " | 30.00 | 1000000 |
| 9.75% LIC Housing Fin. Ltd Bonds 24/03/2018 | " | 5.00 | 1000000 |
| 9.70% LIC Housing Fin. Ltd Bonds 07/04/2013 | " | 2.00 | 1000000 |
| 8.40% LIC Housing Finance Ltd 2009 | " | 150.00 | 1000000 |
| 7.30 % LIC Housing Finance Ltd 2009 | " | 5.00 | 10000000 |
| 12% MSFC SLR Bonds 09/01/2012 | " | 50.00 | 100000 |
| 12% MSFC SLR Bonds 13/02/2012 | " | 25.00 | 100000 |
| 11.50% MSFC SLR Bonds 13/02/2011 Sr 60 | " | 150.00 | 100000 |
| 0% Nabard Bhavishya Nirman Bonds | " | 2015.00 | 8250 |
| 0 % Nabard Bonds 01/06/2018 | " | 1200.00 | 8250 |
| 12% Nabard SLR Bonds 15/01/2012 | " | 60000.00 | 1000 |
| 9.50 % Nabard Bonds 15/10/2012 | " | 38.00 | 1000000 |
| 11.50 % Nabard SLR Bonds 2010 | " | 20000.00 | 1000 |
| 10% Nabard Bonds 18/06/2010 | " | 100.00 | 1000000 |
| 9.30 % Nabard Bonds 13/03/2010 | " | 100.00 | 1000000 |
| 9.15 % Nabard Bonds 17/12/2010 | " | 82.00 | 1000000 |
| 9.45 % Nabard Bonds 22/04/02011 | " | 200.00 | 1000000 |
| 12% NHB SLR Bonds 2011 Series 04 | " | 500.00 | 1000000 |
| 8.50% NPCIL Bonds 16/11/2019 | " | 50.00 | 1000000 |
| 9.40% Oriental Bank of Commerce Perpetual Bonds | " | 25.00 | 1000000 |
| 9.25 % OBC Bonds Upper Tier II 21/07/2021 | " | 17.00 | 1000000 |
| 8.75 % OBC Bonds 12/02/2024 | " | 102.00 | 1000000 |
| 9.95 % OBC Bonds 23/04/2017 | " | 50.00 | 1000000 |
| 9.30% PNB Housing Fin. Ltd. Bonds 29/12/2012 | " | 50.00 | 1000000 |
| 9.45% PNB Tier I Perpetual Bond Series III | " | 9.00 | 1000000 |
| 10.85% PNB Upper Tier II Bonds 29/09/2023 | " | 10.00 | 1000000 |
| 11% PFC Bonds 15/09/2018 | " | 1.00 | 1000000 |
| 11.25% PFC Bonds 28/11/2018 | " | 44.00 | 1000000 |
| 10.75% PFC Bonds 15/07/2011 | " | 93.00 | 1000000 |
| 10.85 % PFC Bonds 25/08/2011 | " | 10.00 | 1000000 |
| 8.49 % PFC Bonds 09/10/2011 | " | 20.00 | 1000000 |
| 8.70 % PNB Housing Fin. Ltd Bonds 09/08/2016 | " | 19.00 | 1000000 |
| 10.90 % PGC Bonds 2015 | " | 128.00 | 700000 |
| 10.40 % PNB Perpetual Bonds | " | 1.00 | 1000000 |
| 10.10 % PGC Bonds 12/06/2016 | " | 20.00 | 1250000 |
| 12 % PFC SLR Bonds 10/02/2012 | " | 70.00 | 500000 |
| 9.25 % Punjab & Sind Bank Bonds 30/04/2016 | " | 20.00 | 1000000 |
| 12% PSEB SLR Bonds 24/02/2012 | " | 50.00 | 100000 |
| 9.90 % PFC Bonds 30/03/2017 | " | 100.00 | 1000000 |
| 10.55% PFC Bonds 15/07/2018 | " | 65.00 | 1000000 |
| 8.60 % PFC Bonds 07/08/2024 | " | 512.00 | 1000000 |

# Schedules to the Accounts

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

### 12. Investments (Contd.):

| Investments purchased and sold during the year | Units | Nos. | Face Value (Rs.) |
|---|---|---|---|
| 8.60 % PFC Bonds 07/08/2019 | " | 1211.00 | 1000000 |
| 7.10% PGC Bonds 2010 | " | 56.00 | 1000000 |
| 8.80 % PGC Bonds 29/09/2023 | " | 304.00 | 1250000 |
| 8.80 % PGC Bonds 29/09/2022 | " | 80.00 | 1250000 |
| 10.10 % PGC Bonds 12/06/2015 | " | 14.00 | 1250000 |
| 8.80 % PGC Bonds 29/09/2024 | " | 185.00 | 1250000 |
| 8.80 % PGC Bonds 29/09/2019 | " | 40.00 | 1250000 |
| 8.80 % PGC Bonds 29/09/2016 | " | 104.00 | 1250000 |
| 8.80 % PGC Bonds 29/09/2015 | " | 120.00 | 1250000 |
| 8.80 % PGC Bonds 29/09/2017 | " | 36.00 | 1250000 |
| 8.80 % PGC Bonds 29/09/2020 | " | 67.00 | 1250000 |
| 8.80 % PGC Bonds 29/09/2021 | " | 40.00 | 1250000 |
| 10.60% PTC IFSL Bonds 30/09/2014 | " | 10.00 | 1000000 |
| 9.20 % PGC Bonds 12/03/2023 | " | 40.00 | 1250000 |
| 9.20 % PGC Bonds 12/03/2022 | " | 28.00 | 1250000 |
| 8.85 % PNB Housing Fin. Ltd Bonds 09/11/2019 | " | 110.00 | 1000000 |
| 8.80 % PFC Bonds 15/10/2019 | " | 10.00 | 1000000 |
| 9.20 % PGC Bonds 12/03/2024 | " | 40.00 | 1250000 |
| PFC (1 Year UNCMT +179 BPS) 20/11/2019 | " | 169.00 | 1000000 |
| 8.50 % PFC Bonds 15/12/2014 | " | 16.00 | 1000000 |
| 10.85% REC Bonds 30/09/2018 | " | 38.00 | 1000000 |
| 8.65 % REC Bonds 15/01/2019 | " | 281.00 | 1000000 |
| 9.85 % REC Bonds 28/09/2017 | " | 382.00 | 1000000 |
| 12 % REC SLR Bonds 21/02/2012 | " | 4000.00 | 10000 |
| 10.85 % REC Bonds 14/08/2018 | " | 1.00 | 1000000 |
| 7% REC Bonds 02/06/2012 | " | 336.00 | 1000000 |
| 9.75 % Reliance Cap.Ltd 29/05/2014 | " | 6.00 | 1000000 |
| 9.60 % Reliance Cap.Ltd Bonds 29/05/2012 | " | 50.00 | 1000000 |
| 10.95% RGTIL Bonds 06/01/2019 | " | 5.00 | 1000000 |
| 9.75% Reliance Capital Ltd 10/09/2014 | " | 100.00 | 1000000 |
| 8.80 % REC Bonds 06/10/2019 | " | 131.00 | 1000000 |
| 7.90% REC Bonds 06/10/2012 | " | 107.00 | 1000000 |
| 10.75 % REC Bonds 24/7/2013 | " | 4.00 | 1000000 |
| 10.90 % REC Bonds 30/09/2013 | " | 20.00 | 1000000 |
| 8.35 % REC Bonds 04/09/2014 | " | 32.00 | 1000000 |
| 7.70 % REC Bonds 02/06/2014 | " | 1.00 | 1000000 |
| 9.25 % Reliance Cap. Ltd Bonds 02/11/2012 | " | 84.00 | 1000000 |
| 10.10% SBI Upper Tier II 12/09/2022 | " | 20.00 | 1000000 |
| 9.08% SBM Upper Tier II Bonds 16/01/2023 | " | 50.00 | 1000000 |
| 9.95% SBT Perpetual Bonds | " | 10.00 | 1000000 |
| 8.97% SBI Upper Tier II Bonds 13/09/2021 | " | 5.00 | 1000000 |
| 7.45 % State Bank of India 05/05/2015 | " | 1.00 | 1000000 |
| 9.30 % Sbop Upper Tier II 20/12/2022 | " | 88.00 | 1000000 |
| 8.80 % State Bank of Ind Bonds 05/06/2016 | " | 1.00 | 1000000 |
| 9.40 % Syndicate Bank Perpetual Bonds | " | 20.00 | 1000000 |
| 9.35 % Syndicate Bank Bonds 27/07/2021 | " | 10.00 | 1000000 |
| 8.70 % SAIL Bonds 25/08/2024 | " | 46.00 | 1000000 |
| 8.50 % SAIL Bonds 07/12/2019 | " | 100.00 | 1000000 |
| 10.20% TISCO Bonds 07/05/2015 | " | 13.00 | 1000000 |
| 10.25 % Tech Mahindra Ltd Bonds 17/04/2013 | " | 100.00 | 1000000 |
| 10.40 % TISCO Bonds 15/05/2019 | " | 118.00 | 1000000 |
| 8.81 % TNEB Bonds 2019 | " | 27.00 | 1000000 |
| 10% Tata Chemicals Ltd 02/07/2019 | " | 27.00 | 1000000 |
| 9.45% Union Bank of India Perpetual Bonds | " | 14.00 | 1000000 |
| 9.30 % UBI Bonds 25/03/2019 | " | 95.00 | 1000000 |
| 9.25 % UBI Bonds 16/08/2016 | " | 22.00 | 1000000 |
| 16 % Unitech Pte 31/07/2009 | " | 27.00 | 9821714 |
| 9.25 % UCO Bank Bonds 07/04/2016 | " | 42.00 | 1000000 |
| 9.28 % UCO Bank Bonds 03/07/2021 | " | 4.00 | 1000000 |
| 8.75% UTI Bank 22/03/2016 | " | 2.00 | 1000000 |
| 8.95 % UBI Upper Tier II Bonds 16/10/2021 | " | 195.00 | 1000000 |
| 9.35 % UCO Bank Bonds 22/12/2022 | " | 17.00 | 1000000 |
| 10.10 % UTI Bank Tier II Bonds 2017 | " | 34.00 | 1000000 |
| 8.70 % UCO Bank Bonds 22/03/2021 | " | 10.00 | 1000000 |
| 9.45 % Vijaya Bank Bonds 17/03/2023 | " | 50.00 | 1000000 |
| 9.45 % Vijaya Bank Bonds 17/03/2023 | " | 9.00 | 1000000 |
| 9.30% WBIDFC Bonds, 2017 | " | 2.00 | 1000000 |
| 9.10 % WBIDFC Bonds 04/10/2016 | " | 1.00 | 1000000 |
| 10% WBIDFC Bonds 31/08/2010 | " | 500.00 | 100000 |
| 10.70 % Yes Bank Upper Tier II Bonds 2022 | " | 8.00 | 1000000 |

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

13. a) **Salary, Wages, Bonus & Gratuity as also Contribution to Provident Fund & Other Funds include following amounts paid / payable to erstwhile Managing Director of the transferor company as per his terms of appointment:**

*(Amount in Rupees)*

| | 2009-2010 |
|---|---|
| Salary | 18,45,000 |
| Contribution to Provident Fund | 2,21,400 |
| Perquisites | 6,755 |
| Commission | 1,22,90,051 |
| | **1,43,63,206** |

Above commission is payable by virtue of his terms of appointment as Managing Director of transferor company and calculated on the basis of profit for the year of the transferor company only and the said erstwhile Managing Director is not a Director of the Company as on March 31, 2010.

b) Miscellaneous expenses include Rs. 2,45,000 being Director's Fees paid to the Directors of the transferor company.

c) Insurance expenses include Rs. 50,55,285 being insurance premium for Keyman Insurance Policy of the transferor company.

14. Remuneration to Auditors: *(Amount in Rupees)*

| | 2009-2010 | 2008-2009 |
|---|---|---|
| Audit Fees | 1,54,420 | 33,090 |
| Tax Audit Fees | 27,575 | 11,030 |
| Certification Work | 1,83,657 | – |
| | **3,65,652** | **44,120** |

15. Additional Information :

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

| | | 2009-2010 | | 2008-2009 | |
|---|---|---|---|---|---|
| | Unit | Qty. | Value (Rs.) | Qty. | Value (Rs.) |
| Steel | M.T. | 21,242 | 70,78,78,648 | – | – |
| Cement | M.T. | 15,890 | 7,49,10,347 | – | – |
| Pipes & Tubes | MTR. | 2,87,480 | 50,43,35,078 | – | – |
| Sub-Station Structures | M.T. | 4,290 | 21,33,28,222 | – | – |
| Boiler Structures & Accessories | M.T. | 2,766 | 27,43,00,761 | – | – |
| Valves | Nos. | 6,490 | 13,44,29,795 | – | – |
| Insulators & Fittings | Nos. | 6,33,230 | 13,16,55,923 | – | – |
| Power & Control Cables and AAAC/ACSR Conductor | MTR. | 84,79,501 | 38,12,47,966 | | – |
| Transformer | Nos. | 2,509 | 48,04,66,896 | – | – |
| Surge Arrestor | Nos. | 8,773 | 1,33,91,866 | – | – |
| Control, communication, metering and dataloging system | Nos. | 91,568 | 31,03,38,128 | – | – |
| Isolators | Nos. | 5,709 | 12,39,71,981 | – | – |
| Circuit Breaker | Nos. | 204 | 7,81,48,261 | – | – |
| PLCC Equipment | Nos. | 3,335 | 5,77,66,954 | – | – |
| Cable Tray and Flexible Support | Nos. | 77,768 | 7,55,04,783 | – | – |
| Distribution Board | Nos. | 942 | 3,83,23,372 | – | – |
| Motor & Pumps | Nos. | 230 | 3,08,19,005 | – | – |
| PSC Poles | Nos. | 72,426 | 13,21,62,440 | – | – |
| DG Set | Nos. | 2 | 27,03,408 | – | – |
| Battery and Charger | Nos. | 1,636 | 3,35,06,341 | – | – |
| Steam Turbine | Nos. | 1 | 15,25,26,000 | – | – |
| HI-Mast/Flood Light | Nos. | 2,383 | 9,65,11,368 | – | – |
| Others | - | | 39,82,88,752 | – | – |
| | | | **4,44,65,16,295** | **–** | **–** |

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

## Schedules to the Accounts

### 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

B: Capacity and Production:

| | 2009-2010 | 2008-2009 |
|---|---|---|
| **Item: Wind Mills** | | |
| Licenced Capacity | N.A. | N.A. |
| Installed Capacity | 45 MW | 36 MW |
| Actual Generation (Net of Internal Consumption/Transmission Loss) | 10,69,30,185 KWH | 80,42,035 KWH |

C: Detail of Sales:

| | | 2009-2010 | | 2008-2009 | |
|---|---|---|---|---|---|
| | Unit | Qty. | Value (Rs.) | Qty. | Value (Rs.) |
| **EPC (Construction)** | | | | | |
| Mechanical Auxiliary System | Nos. | 12 | 1,20,84,23,737 | – | – |
| Comprehensive Electrical System | Nos. | 6 | 22,82,99,902 | – | – |
| Sub-Station/Switchyard (EHT) | Nos. | 14 | 1,79,69,78,063 | – | – |
| Power Plant (EPC) | Nos. | 1 | 1,15,35,87,600 | – | – |
| Power Distribution Net Work (HT) | Nos. | 7 | 1,46,28,22,108 | – | – |
| Others | | | 46,82,43,002 | – | – |
| **Energy (Power)** | | | | | |
| Power | KWH | 10,69,30,185 | 36,20,35,392 | 80,42,035 | 2,56,93,656 |
| | | | **6,68,03,89,804** | | **2,56,93,656** |

D: Consumption of Imported and Indigenous Raw-Materials & Stores and the percentage thereof:

| | 2009-2010 | | 2008-2009 | |
|---|---|---|---|---|
| | % | Value (Rs.) | % | Value (Rs.) |
| Indigenous | 99 | 4,27,50,16,951 | – | – |
| Imported | 1 | 17,14,99,344 | – | – |
| | | **4,44,65,16,295** | | **–** |

E: CIF Value of Imports :

| | | | | |
|---|---|---|---|---|
| Materials | | 16,76,82,709 | | – |
| | | **16,76,82,709** | | **–** |

F: Earnings in Foreign Exchange:

| | | | | |
|---|---|---|---|---|
| Export of Goods : | | | | |
| Deemed Export under | | | | |
| Global Tender at Ex-works value. | | 97,97,68,161 | | – |
| | | **97,97,68,161** | | **–** |

G: Expenditure in Foreign Currency:

| | | | | |
|---|---|---|---|---|
| i) Travelling | | 10,91,624 | | – |
| ii) Others | | 1,85,29,201 | | – |
| | | **1,96,20,825** | | **–** |

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

### 16. Earning Per Share:

| | 2009-2010 | 2008-2009 |
|---|---|---|
| Profit/(Loss) after taxation as per Profit and Loss Account | 1,13,81,36,570 | (3,47,07,967) |
| Weighted average number of Equity Shares outstanding (Basic & Diluted) | 5,70,91,200 | 2,37,14,570 |
| Basic and diluted earning per share in Rupees (Face Value Rs. 2 per share) | 19.94 | (1.46) |

### 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 segments are EPC (Construction) and Energy (Power). Financial information about the primary business segments are presented in table given below:

| | For the year ended March 31, 2010 | | | | For the year ended March 31, 2009 | | | |
|---|---|---|---|---|---|---|---|---|
| | EPC (Construction) | Energy (Power) | Corporate | Total | EPC (Construction) | Energy (Power) | Corporate | Total |
| A. REVENUE | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| 1 Sales | 6,31,83,54,412 | 36,20,35,392 | – | 6,68,03,89,804 | – | 2,56,93,656 | – | 2,56,93,656 |
| 2 Others | 8,96,905 | 65,032 | 52,37,21,570 | 52,46,83,507 | – | 2,55,265 | – | 2,55,265 |
| 3 Total Revenue | 6,31,92,51,317 | 36,21,00,424 | 52,37,21,570 | 7,20,50,73,311 | – | 2,59,48,921 | – | 2,59,48,921 |
| B. RESULT | | | | | | | | |
| 1. Segment Result/Operating Profit before Tax and Interest | 76,41,06,998 | 20,89,78,702 | 52,37,21,570 | 1,49,68,07,270 | – | (3,46,57,109) | – | (3,46,57,109) |
| 2. Interest Expenses | 7,31,31,072 | 5,51,40,636 | – | 12,82,71,708 | – | 50,383 | – | 50,383 |
| 3. Provision for Taxation | – | – | – | 23,03,98,992 | – | 475 | – | 475 |
| 4. Net Profit | – | – | – | 1,13,81,36,570 | – | (3,47,07,967) | – | (3,47,07,967) |
| C. OTHER INFORMATION | | | | | | | | |
| 1. Segment Assets | 2,25,80,95,322 | 2,69,07,09,635 | 2,63,76,37,656 | 7,58,64,42,613 | – | 2,76,85,22,830 | – | 2,76,85,22,830 |
| 2. Segment Liabilities | 2,07,51,90,564 | 66,91,98,872 | 4,84,20,53,177 | 7,58,64,42,613 | – | 2,76,85,22,830 | – | 2,76,85,22,830 |
| 3. Capital Expenditure | 1,48,31,658 | 54,25,91,877 | – | 55,74,23,535 | – | 2,18,81,24,437 | – | 2,18,81,24,437 |
| 4. Depreciation | 70,24,086 | 13,96,91,074 | – | 14,67,15,160 | – | 5,87,36,115 | – | 5,87,36,115 |

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

### 18. Related Party disclosures under Accounting Standard 18 :

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

| 2009-2010 | | 2008-2009 | |
|---|---|---|---|
| Name | Relationship | Name | Relationship |
| Mr. Rajiv Agarwal | Key Management Personnel | Suzlon Green Power Limited | Holding Company |
| | | Simran Wind Project Private Limited | Fellow Subsidiary |
| Simran Wind Project Private Limited | Wholly owned Subsidiary | Shubh Realty (South) Private Limited | Entities where KMP/RKMP has significant influence |
| | | Sarjan Realties Limited | Entities where KMP/RKMP has significant influence |
| | | Shri Harish Mehta | KMP |
| | | Shri Nilesh Dhanani | KMP |
| | | Shri Ranjitsinh A. Parmar | KMP |

# Schedules to the Accounts

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

b) Transactions during the year :

*(Amount in Rupees)*

| Name | 2009-2010 | 2008-2009 |
|---|---|---|
| **Wholly owned subsidiary** | | |
| Advance given | 14,47,03,438 | – |
| Advance recovered | 14,47,03,438 | – |
| Share application money paid & allotment of equity shares | 28,80,00,000 | – |
| Receipt against Redemption of Preference Shares | 25,00,00,000 | – |
| Receipt of dividend on Preference Shares | 37,87,671 | – |
| ICD Taken | – | 60,00,000 |
| ICD Repaid | – | 60,00,000 |
| Interest Paid | – | 31,233 |
| **Erstwhile Holding Company** | | |
| Allotment of Shares | – | 69,54,00,000 |
| ICD Taken | – | 95,00,000 |
| ICD Repaid | – | 95,00,000 |
| **Entities where KMP/RKMP have significant influence** | | |
| Purchase of Fixed Assets | – | 12,70,28,000 |
| **Outstanding Balances as on March 31, 2010** | – | – |

19. Previous Year's figures have been re-grouped and re-arranged wherever considered necessary.
Current year's figures include the figures of the erstwhile Techno Electric & Engg Co. Ltd., (the transferor company) as per Scheme of Amalgamation and hence are not strictly comparable with those of previous year.

## Balance Sheet Abstract and Company's General Business Profile

| | | | |
|---|---|---|---|
| I. Registration No. (CIN) | U40108WB2005PLC139595 | State Code | 21 |
| Balance Sheet Date | 31 03 2010 | | |

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

| | | | |
|---|---|---|---|
| Public Issue | NIL | Rights Issue | NIL |
| Bonus Issue | NIL | Private Placement (Rs.) | NIL |

**III. Position of mobilisation/deployment of funds (Amount in Rs. Thousands)**

| | | | |
|---|---|---|---|
| Total Liabilities | 7586443 | Total Assets | 7586443 |
| **Sources of Funds :** | | | |
| Paid up Capital | 114182 | Reserves & Surplus | 3587070 |
| Secured Loans | 1666783 | Unsecured Loans | NIL |
| Deferred Tax Liability | 6678 | | |
| **Application of Funds** | | | |
| Net Fixed Assets | 2605372 | Investments | 1864707 |
| Net Current Assets (+ −) | + 904634 | Misc. Expenditure | NIL |
| Accumulated Losses | NIL | | |

**IV. Performance of the Company (Amount in Rs. Thousands)**

| | | | |
|---|---|---|---|
| Turnover | 7205073 | Total Expenditure | 5836538 |
| Profit Before Tax (+ −) | + 1368535 | Profit After Tax (+ −) | + 1138137 |
| Earning per share (Rs.) (Basic & diluted) | 19.94 | Dividend Rate % | 100 |

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

| | |
|---|---|
| Item Code (ITC Code) | NOT APPLICABLE |
| Product Description | NOT APPLICABLE |

For **S. S. Kothari & Co.**
*Chartered Accountants*
Firm's Registration No. 302034E
**R. N. Bardhan**
*Partner*
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 17th day of July, 2010

**N. Brahma**
*Company Secretary*

**P. P. Gupta**
*Managing Director*
**K. M. Poddar**
*Director*

## Cash Flow Statement For the year ended March 31, 2010

*(Amount in Rupees)*

| | 2009-2010 | 2008-2009 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES :** | | |
| **Net Profit before tax and extraordinary items** | 1,36,85,35,562 | (3,47,07,492) |
| **Adjustments for :** | | |
| Depreciation | 14,67,15,160 | 5,87,36,115 |
| (Profit)/Loss on sale of Fixed Assets | (72,472) | 10,57,627 |
| Interest/Dividend Income | (38,56,99,778) | (2,55,265) |
| (Profit) /Loss on sale of Investments (Net) | (9,01,55,479) | – |
| Interest Paid | 12,82,71,708 | 50,383 |
| **Operating Profit before Working Capital Changes** | **1,16,75,94,701** | **2,48,81,368** |
| **Adjustments for :** | | |
| Trade and Other Receivables | (76,20,69,490) | (2,91,76,552) |
| Inventories | (6,32,96,135) | – |
| Trade Payables | (89,80,66,248) | 1,61,50,24,012 |
| **Cash generated from /(used in) operations** | **(55,58,37,172)** | **1,61,07,28,828** |
| Direct Taxes paid (net of refunds) | (28,15,46,901) | (53,292) |
| **Cash Flow before Extraordinary items** | **(83,73,84,073)** | **1,61,06,75,536** |
| Extraordinary Items | – | – |
| **Net Cash flow from / (used in) Operating Activities** | **(83,73,84,073)** | **1,61,06,75,536** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| Purchase of Fixed Assets | (1,97,44,527) | (2,15,91,18,483) |
| Sale of Fixed Assets | 2,23,000 | 17,14,84,616 |
| (Increase)/Decrease in Investments | 1,10,49,92,388 | – |
| Acquisition of Transferor Company (By way of amalgamation) | (70,06,46,227) | – |
| Acquisition of Subsidiary | (1,36,51,54,781) | – |
| Interest Income | 36,76,45,590 | 3,92,701 |
| Dividend Income | 1,80,54,188 | – |
| **Net Cash Used in Investing Activities** | **(59,46,30,369)** | **(1,98,72,41,166)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from New Equity Issue | – | 83,22,89,120 |
| Proceed from issue of Debentures | 50,00,00,000 | |
| Proceeds from Borrowings | 74,66,66,524 | (44,00,00,000) |
| Proceeds from refund of Loans | 10,12,36,002 | – |
| Interest Paid | (12,82,71,708) | (50,383) |
| Dividend paid | (6,67,93,850) | – |
| **Net Cash flow from Financing Activities** | **1,15,28,36,968** | **39,22,38,737** |
| **Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)** | **(27,91,77,474)** | **1,56,73,107** |
| Opening Balance of Cash & Cash Equivalents (including Rs. 38,48,00,131 acquired on amalgamation) | 40,40,57,124 | 35,83,886 |
| Closing Balance of Cash & Cash Equivalents | 12,48,79,650 | 1,92,56,993 |
| Previous Year's figures have been re-grouped and re-arranged wherever considered necessary. | | |
| Current Year's figure include the figures of the erstwhile Techno Electric & Engineering Co. Ltd ( the transferor company ) as per scheme of Amalgamation and hence are not strictly comparable with those of previous year. | | |

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

For **S. S. Kothari & Co.**
*Chartered Accountants*
Firm's Registration No. 302034E
**R. N. Bardhan**
*Partner*
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 17th day of July, 2010

**N. Brahma**
*Company Secretary*

**P. P. Gupta**
*Managing Director*
**K. M. Poddar**
*Director*

# Auditor's Report on Consolidated Financial Statements

We have examined the attached Consolidated Balance Sheet of Techno Electric & Engineering Company Limited (formerly known as Super Wind Project Limited) and its subsidiary as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of the management of Techno Electric & Engineering Company Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary, whose financial statements reflect total assets of Rs. 294,02,90,117 as at March 31, 2010 and total revenues of Rs. 34,22,08,838 and total cash flows of Rs. 95,85,603 for the year then ended. These financial statements have been audited by other auditors whose report has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of such other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21: Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Techno Electric & Engineering Company Limited and its subsidiary included in the consolidated financial statements.

Based on our audit and on the basis of information and explanations given to us and also based on the consolidation of the separate audit reports on the individual audited financial statements of Techno Electric & Engineering Company Limited and its subsidiary, the consolidated statements of account, read together with the Significant Accounting Policies and Notes appearing on Schedule 13, give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Techno Electric & Engineering Company Limited and its subsidiary as at March 31, 2010;

(b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operation of Techno Electric & Engineering Company Limited and its subsidiary for the year then ended; and

(c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Techno Electric & Engineering Company Limited and its subsidiary for the year then ended.

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

Centre Point
21, Old Court House Street
Kolkata -700 001
The 17th day of July, 2010

**R. N. Bardhan**
*Partner*
Membership No. 17270

## Consolidated Balance Sheet As at March 31, 2010

*(Amount in Rupees)*

| | Schedule No. | March 31, 2010 | |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 1 | 11,41,82,400 | |
| Reserves & Surplus | 2 | 4,51,22,26,004 | |
| | | | 4,62,64,08,404 |
| Loan Funds | 3 | | 2,46,67,83,077 |
| | | | **7,09,31,91,481** |
| **APPLICATION OF FUNDS** | | | |
| **Fixed Assets** | 4 | | |
| Gross Block | | 6,05,67,50,799 | |
| Less: Depreciation | | 52,64,10,921 | |
| Net Block | | | 5,53,03,39,878 |
| **Investments** | 5 | | 49,95,52,168 |
| **Current Assets, Loans & Advances** | 6 | | |
| A. Current Assets | | 1,56,84,16,383 | |
| B. Loans & Advances | | 1,72,03,16,825 | |
| | | 3,28,87,33,208 | |
| **Less: Current Liabilities & Provisions** | 7 | | |
| A. Current Liabilities | | 2,07,92,80,455 | |
| B. Provisions | | 13,94,75,693 | |
| | | 2,21,87,56,148 | |
| **Net Current Assets** | | | 1,06,99,77,060 |
| **Deferred Tax Assets/(Liabilities)** | 8 | | (66,77,625) |
| | | | **7,09,31,91,481** |
| 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.

For **S. S. Kothari & Co.**
*Chartered Accountants*
Firm's Registration No. 302034E
**R. N. Bardhan**
*Partner*
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 17th day of July, 2010

**N. Brahma**
*Company Secretary*

**P. P. Gupta**
*Managing Director*

**K. M. Poddar**
*Director*

## Consolidated Profit and Loss Account For the year ended March 31, 2010

*(Amount in Rupees)*

| | Schedule No. | 2009-2010 |
|---|---|---|
| **INCOME** | | |
| Operating Income | 9 | 7,02,12,56,215 |
| Other Income | 10 | 50,32,99,907 |
| | | **7,52,45,56,122** |
| **EXPENDITURE** | | |
| (Increase)/Decrease in Inventories | 11 | (6,32,96,135) |
| Operative, Administrative & Other Expenses | 12 | 5,66,11,88,464 |
| Interest | | 20,97,19,257 |
| Depreciation | | 30,28,95,379 |
| | | **6,11,05,06,965** |
| **PROFIT** | | |
| Profit before Taxation | | 1,41,40,49,157 |
| Provision for Income Tax | | |
| Current Tax | | 24,19,06,250 |
| For earlier years | | 5,024 |
| Provision for Wealth Tax | | |
| For earlier years | | 49,669 |
| Provision for Fringe Benefit Tax | | |
| For earlier years | | 8,471 |
| Deferred Income Tax | | 2,33,656 |
| MAT Credit Entitlement | | (1,16,16,189) |
| Security Transaction Tax | | 4,934 |
| Profit after Taxation | | 1,18,34,57,342 |
| Balance brought forward | | (6,57,52,028) |
| | | **1,11,77,05,314** |
| **APPROPRIATIONS** | | |
| Transfer to General Reserve | | 78,83,00,000 |
| Transfer to Debenture Redemption Reserve | | 18,20,00,000 |
| Dividend Tax on Preference Shares | | 6,43,715 |
| Proposed Dividend | | 11,41,82,400 |
| Provision for Tax on Proposed Dividend | | 1,89,64,269 |
| Surplus carried to Balance Sheet | | 1,36,14,930 |
| | | **1,11,77,05,314** |
| Earning Per Share (Basic & Diluted ) | | 20.73 |
| | | |
| Significant Accounting Policies & Notes on Accounts | 13 | |

The Schedules referred to above form an integral part of the Profit and Loss Account.

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

For **S. S. Kothari & Co.**
*Chartered Accountants*
Firm's Registration No. 302034E
**R. N. Bardhan**
*Partner*
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 17th day of July, 2010

**N. Brahma**
*Company Secretary*

**P. P. Gupta**
*Managing Director*
**K. M. Poddar**
*Director*

## Consolidated Schedules to the Accounts

*(Amount in Rupees)*

| | | March 31, 2010 | |
|---|---|---|---|
| **1. SHARE CAPITAL** | | | |
| **Authorised** | | | |
| 42,49,00,000 | Equity Shares of Rs. 2 each | 84,98,00,000 | |
| 5,50,20,000 | Preference Shares of Rs. 10 each | 55,02,00,000 | |
| | | | 1,40,00,00,000 |
| **Issued, Subscribed and Paid Up** | | | |
| 5,70,91,200 | Equity Shares of Rs. 2 each fully paid up | | 11,41,82,400 |
| | | | **11,41,82,400** |

**Notes:**

**(i) Authorised Capital :**

(a) Equity Share of Rs. 10 each and Preference Share of Rs. 100 each of the Company were sub-divided into 5 equity shares of Rs. 2 each and 10 preference shares of Rs. 10 each respectively w.e.f. October 10, 2009. Consequently, the number of shares of both equity and preference shares stand increased.

(b) The Authorised Capital of the Company includes 7,49,00,000 equity shares of Rs. 2 each and 20,000 preference shares of Rs. 10 each transferred w.e.f. 01.04.2009 (appointed date) from the transferor company pursuant to Scheme of Amalgamation approved by the Hon'ble High Court at Calcutta vide its Order dated May 26, 2010.

**(ii) Issued, Subscribed and Paid up Capital :**

(a) 5,70,91,200 Equity shares of Rs. 2 each, fully paid up and ranking pari-pasu, are to be issued and allotted to the shareholders of the transferor company pursuant to Scheme of Amalgamation approved by the Hon'ble High Court at Calcutta vide its Order dated May 6, 2010. (Refer Note no. 6(c)(ii) in Schedule 13D)

| | | March 31, 2010 | |
|---|---|---|---|
| **2. RESERVES AND SURPLUS** | | | |
| **Capital Reserve :** | | | |
| Acquired on Amalgamation | 6,000 | | |
| Add : Created on Amalgamation (Refer Note no. 6(c)(iii) in Schedule 13D) | 15,72,59,773 | 15,72,65,773 | |
| **Debenture Redemption Reserve :** | | | |
| Created during the year | 18,20,00,000 | 18,20,00,000 | |
| **Share Premium Account :** | | | |
| As per last Account | 1,20,70,19,030 | | |
| Add : Acquired on Amalgamation | 66,88,00,000 | 1,87,58,19,030 | |
| **General Reserve :** | | | |
| Acquired on Amalgamation | 1,49,51,02,031 | | |
| Add: Transferred from Profit & Loss Account | 78,83,00,000 | 2,28,34,02,031 | 4,49,84,86,834 |
| **Profit & Loss Account :** | | | |
| Acquired on Amalgamation | 1,24,240 | | |
| Balance as per annexed Account | 1,36,14,930 | | 1,37,39,170 |
| | | | **4,51,22,26,004** |

| | | | |
|---|---|---|---|
| **3. LOAN FUNDS** | | | |
| **Secured Loans :** | | | |
| (Refer note no. 5 in Schedule 13D) | | | |
| Debentures | | | 1,30,00,00,000 |
| From Banks | | | 83,34,49,744 |
| From Others | | | 33,33,33,333 |
| | | | **2,46,67,83,077** |

## 4. FIXED ASSETS

*(Amount in Rupees)*

| Particulars | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2009 | upto March 31, 2009 (on Amalgamation) | Additions During the year | Sales/Adjust-ment during the year | Total upto March 31, 2010 | upto March 31, 2009 | upto March 31, 2009 (on Amalgamation) | For the year | On Sales/ Adjustment during the year | Total upto March 31, 2010 | As at March 31, 2010 | As at March 31, 2009 |
| Goodwill | – | – | 15,71,50,781 | – | 15,71,50,781 | – | – | – | – | – | 15,71,50,781 | – |
| Land | 11,89,10,104 | 1,22,752 | 18,00,000 | – | 12,08,32,856 | – | – | – | – | – | 12,08,32,856 | 11,89,10,104 |
| Factory Building | – | 7,20,328 | – | – | 7,20,328 | – | 6,05,604 | 24,059 | – | 6,29,663 | 90,665 | – |
| Non–Factory Building | – | 78,38,212 | – | – | 78,38,212 | – | 11,69,488 | 1,27,763 | – | 12,97,251 | 65,40,961 | – |
| Plant & Machinery | – | 3,90,75,964 | 33,95,842 | – | 4,24,71,806 | – | 1,80,84,330 | 14,81,312 | – | 1,95,65,642 | 2,29,06,164 | – |
| Plant & Machinery (Wind Mill) | 4,75,09,49,362 | – | 91,43,90,433 | – | 5,66,53,39,795 | 17,22,72,785 | – | 29,58,38,070 | – | 46,81,10,855 | 5,19,72,28,940 | 4,57,86,76,577 |
| Office Equipment | 1,62,640 | 2,88,72,376 | 49,90,524 | 83,700 | 3,39,41,840 | 32,053 | 2,10,50,397 | 29,49,636 | 15,000 | 2,40,17,086 | 99,24,754 | 1,30,587 |
| Furniture & Fixture | – | 43,37,226 | 25,29,950 | – | 68,67,176 | – | 38,63,224 | 8,14,870 | – | 46,78,094 | 21,89,082 | – |
| Construction Vehicle | – | 74,49,534 | 32,05,242 | 12,18,845 | 94,35,931 | – | 38,32,641 | 6,69,968 | 11,37,017 | 33,65592 | 60,70,339 | – |
| Vehicle | 80,647 | 1,13,61,327 | 7,10,100 | – | 1,21,52,074 | 11,199 | 37,45,838 | 9,89,701 | – | 47,46,738 | 74,05,336 | 69,448 |
| **Total** | **4,87,01,02,753** | **9,97,77,719** | **1,08,81,72,872** | **13,02,545** | **6,05,67,50,799** | **17,23,16,037** | **5,23,51,522** | **30,28,95,379** | **11,52,017** | **52,64,10,921** | **5,53,03,39,878** | **4,69,77,86,716** |

**Notes:**

1. Goodwill represents the difference between cost of investments in subsidiary and holding company's portion of equity share capital and securities premium in the subsidiary company.
2. Conveyance Deeds in respect of Non–Factory Buildings amounting to Rs. 68,43,669 of the transferor company are in the process of being executed in favour of the Company.

## Consolidated Schedules to the Accounts

*(Amount in Rupees)*

| | Face Value Per Share/Unit | March 31, 2010 | |
|---|---|---|---|
| **5. INVESTMENTS** | | | |
| | Rs. | Nos. | Rs. |
| **Unquoted** | | | |
| **Fully Paid-Equity Shares:** | | | |
| Tega India Ltd. | 10 | 7 | 70 |
| Techno Leasing & Finance Co. Pvt. Ltd. | 10 | 10 | 100 |
| Techno International Ltd. | 10 | 1,70,060 | 17,00,600 |
| North Dinajpur Power Ltd. | 10 | 20,000 | 2,00,000 |
| Rajgarh Bio-Power Ltd. | 10 | 20,000 | 2,00,000 |
| Techno Ganga Nagar Green Power Generating Co. Ltd. | 10 | 20,994 | 2,09,940 |
| Techno Birbhum Green Power Generating Co. Ltd. | 10 | 20,994 | 2,09,940 |
| **Fully Paid Bonds:*** | | | |
| 9.75% HPFC Bonds 2012 | 25,00,000 | 1 | 25,62,500 |
| **Debentures:*** | | | |
| 14% Unitech Ltd. NCD 17/01/2011 | 10,00,000 | 500 | 48,90,25,000 |
| | | | 49,41,08,150 |
| **Quoted** | | | |
| **Fully Paid-Equity Shares:** | | | |
| Spentex Industries Ltd. | 10 | 30,954 | 18,51,678 |
| GIC Housing Finance Ltd. | 10 | 64,500 | 25,80,000 |
| Ascu Arch Timber Protection Ltd. | 10 | 50,617 | 10,12,340 |
| | | | 54,44,018 |
| | | | 49,95,52,168 |
| Aggregate Value of Unquoted Investments | | | 49,41,08,150 |
| Aggregate Value of Quoted Investments | | | |
| Book Value | | | 54,44,018 |
| Market Value | | | 67,70,479 |

*Represents Short term Investment

## Consolidated Schedules to the Accounts

*(Amount in Rupees)*

| | March 31, 2010 | |
|---|---|---|
| 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.2 of Schedule 13D) | | 6,96,56,560 |
| **Sundry Debtors** | | |
| (Unsecured & Considered Good) | | |
| Debts outstanding for a period exceeding Six months | 6,40,80,839 | |
| Others | 44,94,18,778 | 51,34,99,617 |
| **Retention Money Receivable** | | |
| (Unsecured & Considered Good) | | |
| Outstanding for a period exceeding Six months | 39,94,52,958 | |
| Others | 43,95,43,417 | 83,89,96,375 |
| **Cash and Bank Balances** | | |
| Cash in hand (As certified) | | 35,38,814 |
| **Balance with Scheduled Banks** | | |
| On Current Account | 6,95,69,616 | |
| On Fixed Deposits | 7,31,26,461 | |
| On Margin Deposit | 28,940 | 14,27,25,017 |
| | | **1,56,84,16,383** |
| B. Loans and Advances | | |
| (Unsecured & Considered Good) | | |
| Loans (including accrued interest) | | 76,99,94,148 |
| Advances recoverable in cash or in kind or for value to be received | | 92,34,84,502 |
| Income Tax paid in advance & Tax deducted at source | | 18,36,193 |
| (Net of Provision of Tax Rs. 69,90,26,640) | | |
| Fringe Benefit Tax paid in advance | | 9,96,890 |
| (Net of Provision of Tax Rs. 1,11,56,266) | | |
| MAT Credit Entitlement | | 1,22,53,189 |
| Deposits | | 1,17,51,903 |
| | | **1,72,03,16,825** |

# Consolidated Schedules to the Accounts

*(Amount in Rupees)*

| | | March 31, 2010 |
|---|---|---|
| **7. CURRENT LIABILITIES & PROVISIONS** | | |
| **A. Current Liabilities :** | | |
| Offered to Deities Shree Ganeshji | | 193 |
| Sundry Creditors | | 63,77,07,856 |
| Advance Received from Customers | | 1,44,05,95,837 |
| Unpaid Dividend | | 9,76,569 |
| | | **2,07,92,80,455** |
| **B. Provisions :** | | |
| Leave Encashment | | 63,29,024 |
| Proposed Dividend | | 11,41,82,400 |
| Tax on Proposed Dividend | | 1,89,64,269 |
| | | **13,94,75,693** |
| **8. DEFERRED TAX ASSETS / (LIABILITIES)** | | |
| **Deferred Tax Liabilities:** | | |
| Depreciation on Fixed Assets | | (66,77,625) |
| | | **(66,77,625)** |

| | | 2009-2010 |
|---|---|---|
| **9. OPERATING INCOME** | | |
| **Sales :** | | |
| EPC (Construction) | 6,31,83,54,412 | |
| Energy (Power) | 70,29,01,803 | 7,02,12,56,215 |
| | | **7,02,12,56,215** |
| **10. OTHER INCOME** | | |
| Dividend | | 1,42,66,517 |
| **Interest :** | | |
| On Loans and Advances | | 25,51,58,446 |
| On Investments | | 10,59,28,954 |
| On Fixed Deposit Receipts | | 73,69,539 |
| Profit on Sale of Investments (Net) | | 7,12,17,123 |
| Profit on Sale of Fixed Assets | | 83,347 |
| Exchange Rate Difference | | 4,79,31,345 |
| Miscellaneous Receipts | | 13,44,636 |
| | | **50,32,99,907** |

## Consolidated Schedules to the Accounts

*(Amount in Rupees)*

| | 2009-2010 | |
|---|---|---|
| **11. (INCREASE) / DECREASE IN INVENTORIES** | | |
| Contract Work-in-Progress as on April 1, 2009 (Acquired on Amalgamation) | 63,60,425 | |
| Less: Closing Stock: | | |
| Contract Work-in-Progress | 6,96,56,560 | (6,32,96,135) |
| | | **(6,32,96,135)** |

| | | |
|---|---|---|
| **12. OPERATIVE, ADMINISTRATIVE AND OTHER EXPENSES** | | |
| Materials, Stores and Services | | 4,91,35,33,064 |
| Salaries, Wages, Gratuity & Bonus | | 18,30,78,587 |
| Contributions to Provident & Other Funds | | 1,08,20,302 |
| Staff Welfare | | 2,52,51,498 |
| ESI Contribution | | 3,21,915 |
| Freight & Handling Charges | | 6,28,60,252 |
| Travelling & Conveyance | | 5,53,65,155 |
| Rent | | 1,66,75,637 |
| Rates & Taxes | | 2,18,577 |
| Insurance | | 1,92,61,869 |
| Sales Tax (Net) | | 7,42,75,001 |
| Service Tax (Net) | | 3,26,60,940 |
| Marketing Commission | | 19,16,500 |
| Power & Fuel | | 65,65,302 |
| Hire Charges | | 46,92,264 |
| Repairs to Plant & Machinery | | 6,83,190 |
| Auditors' Remuneration | | 4,20,802 |
| Bank Charges | | 4,68,36,631 |
| Loss on Sale of Fixed Assets | | 72,38,165 |
| Miscellaneous | | 19,85,12,813 |
| | | **5,66,11,88,464** |

# Consolidated Schedules to the Accounts

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### A. Background:

Techno Electric & Engineering Company Limited (Formerly known as Super Wind Project Limited) ("the Holding Company") was incorporated on October 26, 2005 to carry on in India and anywhere else in the World the business of and as an independent power project company and for the purpose to establish, develop, install, commission, acquire, operate and maintain non-conventional and renewable power projects.

The Holding Company was converted into a public limited company on December 11, 2009 and consequently the word 'Private' was deleted from its name.

Pursuant to and as envisaged in the Scheme of Amalgamation, the name of the Holding Company stands changed to "Techno Electric & Engineering Company Limited" and a fresh Certificate of Incorporation has been obtained on July 14, 2010.

Pursuant to Scheme of Amalgamation, the business of erstwhile Techno Electric & Engg. Co. Ltd. which was engaged in the business of engineering, procurement and construction (EPC) with its focus primarily on the Indian power Sector have been transferred to the Holding Company and formed an integral part of business of the Holding Company.

### B. Principles of Consolidation:

The Consolidated financial statements relate to the Company (Techno Electric & Engineering Company Limited) and its Subsidiary, Simran Wind Project Private Limited. The Consolidated Financial Statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21; "Consolidated Financial Statements".

ii) The Consolidated financial statements are prepared using uniform accounting policies for like transactions except in the cases stated in Accounting Policies and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements except as otherwise stated in Notes to the Accounts.

iii) The difference between the cost of investment in the Subsidiary Company, over the net assets at the time of acquisition of shares in the Subsidiary Company is recognised in the Financial Statements as Goodwill.

iv) There being no shareholder other than the Holding Company, identification and recognition of Minority Interest's share of Net Profit/Loss and also share of Net Assets of Consolidated Subsidiary does not arise.

### C. Significant Accounting Policies:

#### 1. Accounting Concept:

The Accounts are prepared under the historical cost convention. Accounting Policies not referred to otherwise are consistent with Generally Accepted Accounting Principles and comply with the applicable Accounting Standards.

#### 2. Recognition of Income & Expenditure:

The Companies follow Mercantile System of Accounting and recognises Income and Expenditure on accrual basis.However, since it is not possible to ascertain with reasonable accuracy, the quantum to be provided in respect of Warranty and Liquidated Damages, Works Contract Tax, Marketing Commission, Bill Discounting Charges, Insurance Claims, Export Benefits, the same are accounted for on cash basis.

#### 3. Sales:

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

Revenue from sale of Energy (Power) is recognised on the basis of electrical units generated, net of wheeling and transmission loss as applicable, as stated in the Power Purchase Agreement entered into between the Company and the State Utilities of Tamil Nadu and Karnataka.

#### 4. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

#### 5. Earning Per Share:

Basic earning per share is calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

6. **Fixed Assets:**
   (a) Fixed Assets are stated at their original cost, less accumulated depreciation. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

   (b) Capital Work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at the Balance Sheet date and includes advances paid to acquire fixed assets.

   (C) Depreciation is calculated at the rates specified in Schedule XIV to the Companies Act,1956 and is provided for on Straight Line Method on all assets except Office Equipments, Furniture & Fixtures which is provided for on Written Down Value Method. However, in respect of Subsidiary Company, depreciation on Office Equipments (including Computers) is provided on Straight Line Method.

7. **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.

8. **Investments:**
   Long Term Investments are carried at cost less provision for diminution other than temporary, in value of such investments determined individually. Short Term Investments are carried at lower of cost or fair value determined individually.

9. **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.

10. **Foreign Currency Transactions:**
    Foreign Currency Transactions are normally recorded on the basis of exchange rates prevailing on the date of their occurrences. 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, except in respect of fixed assets which is adjusted to the value of asset.

11. **Retirement Benefits:**
    Contributions to defined contribution scheme in the form of provident and other funds are charged to the Profit and Loss Account. In respect of certain employees, Provident Fund contributions are made to Trust administered by the trustees. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and short fall, if any, shall be made good by the Company. The remaining contributions are made to a Government-administered Provident Fund towards which the Company has no further obligations beyond its monthly contribution.

    The Holding Company has defined benefit plan for post-employment benefit in the form of gratuity for all employees, which are controlled by a Trust, administered by the Trustees, Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet date carried out by an independent actuary.The actuarial method used for measuring the liability is the projected unit credit method.

    In respect of leave encashment benefits to employees, liability is provided for on the basis of actuarial valuation as at the the Balance Sheet date, carried out by an independent actuary.The actuarial method used for measuring the liability is the projected unit credit method.

12. **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.

    The Company's business units, engaged in generation of electricity from Wind Mills at various locations, are eligible for 100% tax holiday for a period of 10 consecutive years out of 15 years, from the year in which the generation of power is started. Accordingly, the tax holiday period for the Units are likely to expire on various dates after financial year ending on 31.03.2023. Timing difference between the tax basis and the carrying values of assets and liabilities of the Units, which originate during the year but reverse during the tax holiday period are not recognised in the year in accordance with the requirements of Accounting Standard - 22: Accounting for Taxes of Income.

# Consolidated Schedules to the Accounts

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

13. **MAT Credit Entitlement:**

    In respect of the Subsidiary Company, the Minimum Alternate Tax (MAT) paid in accordance with the tax laws giving rise to future economic benefits in the form of adjustment of future income tax liability is considered and recognized as an asset in the Balance Sheet when it is probable that such benefits will flow to the Company in future years and the same can be measured reliably.

    This is a deviation from the Accounting Policy followed by the Holding Company, which has resulted in increase in Profit after Tax, Reserves & Surplus and Loans & Advances by Rs. 1,16,16,189 each.

14. **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.

15. **Provisions, Contingent Liabilities and Contingent Assets:**

    A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date.These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

    Contingent liabilities are disclosed by way of notes to the accounts.

    Contingent assets are not recognized.

D. **Notes on Accounts:**

1. **Contingent Liabilities not provided for in respect of :**
   i) Letters of Credit outstanding Rs. 35,05,74,403.
   ii) Corporate Guarantee issued by the Holding Company for loans obtained by the Subsidiary Company Rs. 80,00,00,000.

2. Materials and Stores purchased during the year include Stores Rs. 13,17,48,067. The Consumption of such materials included in outlay and contract work-in-progress have been taken by the Auditors as certified.

3. a) Interest paid includes Rs. 2,63,83,563 on Debentures and Rs. 11,64,10,026 on Term Loans.
   b) Sundry Creditors include Rs. 1,01,50,684 & Rs. 22,32,328 being interest accrued but not due on debenture and term loan respectively.

4. The Deferred Tax Liabilities of Rs. 2,33,656 for the year has been recognised in the Profit and Loss Account.

5. **Secured Loans** *(Amount in Rupees)*

| | 2009-2010 |
|---|---|
| a) Term Loan | |
| i) From DBS Bank Ltd. | 50,00,00,000 |
| ii) From Indusind Bank Ltd. | 33,33,33,333 |
| iii) From Rabo India Finance Ltd. | 33,33,33,333 |
| | 1,16,66,66,666 |

   i) Term loan from DBS Bank Ltd. is secured by way of first charge on the entire fixed assets of the EPC (Construction) Division, movable & immovable, present and future, ranking pari-pasu with existing charge holders and personal guarantee of the erstwhile Director of the transferor company.
   ii) Term loan from IndusInd Bank Ltd. is secured by way of equitable mortgage of land and hypothecation of fixed assets and current assets of Energy (Power) Division, ranking pari-pasu with other lenders and corporate guarantee of the transferor company.
   iii) Term loan from Rabo India Finance Ltd. is secured by first charge by way of hypothecation over all the movable properties and mortgage of all the immovable properties of Energy (Power) Division, ranking pari-pasu with the IndusInd Bank Ltd and corporate guarantee of the transferor company.

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

b) **1,300 Debenture (7.5% Non-convertible, of Rs. 10,00,000 each)** Rs. 1,30,00,00,000

Debentures are secured by way of mortgage and creation of charge in favour of the trustees (IDBI Trusteeship Services Ltd.) on the immovable properties and movable properties of subsidiary Company and a non-disposal undertaking executed in favour of the trustees on a pari-pasu basis.

The Debentures are redeemable at par in 11 equal quarterly installments commencing from May 20, 2010.

c) **Vehicle Loan from Banks**

Secured against hypothecation of specified vehicles Rs. 1,16,411

d) The Holding Company also enjoys an overdraft facility with Scheduled Banks against hypothecation of Components, Raw Materials, Work-in-Progress, Plant & Machinery, Book Debts ranking pari-pasu with other borrowings and personal guarantee of an erstwhile Director of the transferor company.

6 **Disclosures in accordance with AS-14,"Accounting for Amalgamation".**

(a) **Particulars of the Scheme:**

Pursuant to the Scheme of Amalgamation between the Holding Company and Techno Electric & Engineering Co. Ltd. (the Transferor Company), as approved by the Hon'ble High Court at Calcutta vide its Order dated May 6, 2010, the Transferor Company stands amalgamated with the Holding Company with effect from April 1, 2009 (the appointed date). Consequently, all the properties, assets, rights and powers of the Transferor Company and all the debts, liabilities, duties and obligations of the Transferor Company including all rights, powers, interests, authorities, privileges, liberties and all properties and assets, movable or immovable, freehold or leasehold, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent or whatsoever nature and wherever situate including all land, buildings, plant and machinery, office equipments, inventories, investments in shares, debentures, bonds and other securities, sundry debtors, cash and bank balances, loans and advances, leases and all other interests and rights in or arising out of such property together with all liberties, easements, advantages, exemptions, approvals, licenses, trade marks, patents, copyrights, import entitlements and other quotas, if any, held, applied for or as may be obtained hereafter by the Transferor Company or which the Transferor Company is entitled to together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records of the Transferor Company stand transferred to the Holding Company.

(b) The effective date of the amalgamation was May 26, 2010 and the appointed date was April 1, 2009.

(c) The amalgamation has been accounted for under "Pooling of interest method" as prescribed by the Accounting Standard - 14: Accounting for Amalgamation issued by the institute of Chartered Accountants of India, in accordance to which:

i) The assets and liabilities of the transferor company have been incorporated in Financial Statements of the transferee Company at their carrying amounts.

ii) In terms of the said Scheme of Amalgamation, the shareholders holding 5,70,91,200 Equity Shares of Rs. 2 each fully paid up in the transferor company are to be allotted one new Equity Share of Rs. 2 each fully paid up of the transferee company for every Equity Share of Rs. 2 each fully paid up held by them in the transferor company.

Accordingly, 5,70,91,200 new Equity Shares were allotted to the shareholders at a Board of Directors' meeting held on July 10, 2010.

iii) An amount of Rs. 15,72,59,773 being the difference between the carrying amount of investments in Redeemable Preference Shares of the transferee company held as investments by the transferor company and that in the books of the transferee company under Preference Share Capital has been shown under Capital Reserve of the transferee company.

iv) The Assets and Liabilities as on April 1, 2009 of the transferor company taken over by the transferee company were as follows:

| | Amount in Rupees |
|---|---|
| **Assets** | |
| Net Fixed Assets | 4,74,26,197 |
| Investments | 1,51,43,89,077 |
| Current Assets, Loans & Advances | 2,61,97,48,059 |
| **Liabilities** | |
| Secured Loans | 42,01,16,553 |
| Current Liabilities & Provisions | 1,47,67,88,140 |
| Deferred Tax Liabilities | 64,43,969 |
| **Net Worth** | 2,27,32,14,671 |

## Consolidated Schedules to the Accounts

### 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

7. Disclosures in accordance with revised AS-15 on "Employees Benefits":

*(Amount in Rupees)*

| Particulars | 2009-2010 |
|---|---|
| **a) Defined Contribution Plans:** | |
| The Holding Company has recognized the following amount in the Profit & Loss Account for the year: | |
| Employer contribution to Provident & Other Funds | 99,96,773 |
| **b) Defined Benefit Plans:** | |
| **Gratuity** | |
| The following figures are as actuarial valuation as at the Balance Sheet date carried out by an independent actuary: | |
| **i) Present value of defined benefit obligation:** | |
| Present value of obligations at beginning of the year | 1,53,66,557 |
| Service Cost | 18,48,031 |
| Interest Cost | 10,17,930 |
| Benefits settled | (35,88,311) |
| Actuarial (gain)/loss | 14,07,168 |
| Present value of obligations at the end of the year | 1,60,51,375 |
| **ii) Change in fair value of plan assets:** | |
| Fair value of planned assets at beginning of the year | 2,67,71,496 |
| Acquisition adjustments | – |
| Expected return on plan Assets | 21,41,719 |
| Actuarial gain/(loss) | (3,69,229) |
| Contribution | 6,84,819 |
| Benefits settled | (35,88,311) |
| Fair value of planned assets at the end of the year | 2,56,40,494 |
| **iii) Reconciliation of present value of the defined obligation plan and the fair value of the planned assets:** | |
| Fair value of planned assets at the end of the year | 2,56,40,494 |
| Present value of the defined benefit obligations at the end of the year | 1,60,51,375 |
| * Asset/(Liability) | 95,89,119 |
| * The excess of assets over liabilities in respect of Gratuity have not been recognised as they are lying in an Income Tax approved irrevocable trust fund. | |
| **iv) Net Gratuity and other Cost:** | |
| Service Cost | 18,48,031 |
| Interest Cost | 10,17,930 |
| Expected return on plan assets | (21,41,719) |
| Actuarial (gain)/loss | 17,76,397 |
| Net Gratuity Cost | 25,00,639 |
| **v) Actuarial Assumptions:** | |
| Discount Rate | 7.50% |
| Inflation Rate (salary escalation rate) | 5.00% |
| Return on Assets | 8.00% |
| **vi) For each major category of planned assets following is the percentage that each major category constitute of the fair value of the plan assets:** | |
| Central Government Securities | 21.75% |
| State Government Securities | 11.96% |
| PSU Bond | 29.60% |
| Investment with Bank in Special Deposit Scheme | 10.89% |
| administered by Birla Sun Life Insurance Company Limited | 25.80% |
| | 100.00% |

As the subsidiary company did not have qualifying number of employees, the requirement of disclosure as per AS-15 for the subsidiary does not apply.

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

8. Fixed Deposit Receipts of Rs. 6,44,16,971 are lodged with the Bankers of the Company as Margin against Bank Guarantees issued/ to be issued in favour of the Company.

9. Fixed deposit receipts amounting to Rs. 28,29,063 are lodged with a client / Sales Tax authorities as Security / Registration Deposits.

10. To the extent identified from available information, there is no amount due to micro, small and medium size enterprises as on March 31, 2010

11. As a result of the deviation in Accounting Policy followed by the Subsidiary Company as compared to that of the Holding Company in relation to depreciation on office equipments including computers, the charge for depreciation in the Consolidated Profit and Loss Account stands lower by Rs. 9,217 and the Net Block as on March 31, 2010 as per Consolidated Balance Sheet stands higher by Rs. 49,815.

12. a) Salary, Wages, Bonus & Gratuity as also Contribution to Provident Fund & Other Funds include following amounts paid / payable to erstwhile Managing Director of the transferor company as per his terms of appointment:

*(Amount in Rupees)*

| | 2009-2010 |
|---|---|
| Salary | 18,45,000 |
| Contribution to Provident Fund | 2,21,400 |
| Perquisites | 6,755 |
| Commission | 1,22,90,051 |
| | **1,43,63,206** |

Above commission is payable by virtue of his terms of appointment as Managing Director of transferor company and calculated on the basis of profit for the year of the transferor company only and the said erstwhile Managing Director is not a Director of the Company as on March 31, 2010.

b) Miscellaneous Expenses include Rs. 2,45,000 being Director's Fees paid to the Directors of the transferor company.

c) Insurance expenses include Rs. 50,55,285 being insurance on key man policy of Transferor Company.

13. Remuneration to Auditors:

*(Amount in Rupees)*

| | 2009-2010 |
|---|---|
| Audit Fees | 1,93,025 |
| Tax Audit Fees | 44,120 |
| Certification Work | 1,83,657 |
| | **4,20,802** |

14. Earning Per Share:

*(Amount in Rupees)*

| | 2009-2010 |
|---|---|
| Profit/ (Loss) after taxation as per Profit and Loss Account | 1,18,34,57,342 |
| Weighted average number of Equity Shares outstanding (Basic & Diluted) | 5,70,91,200 |
| Basic and diluted earning per share in Rupees (Face Value Rs. 2 per share) | 20.73 |

# Consolidated Schedules to the Accounts

## 13. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

15. **Segment Reporting :**

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

| | For the year ended March 31, 2010 | | | |
|---|---|---|---|---|
| | EPC (Construction) | Energy (Power) | Corporate | Total |
| A. REVENUE | Rs. | Rs. | Rs. | Rs. |
| 1 Sales | 6,31,83,54,412 | 70,29,01,803 | – | 7,02,12,56,215 |
| 2 Others | 8,96,905 | 14,07,459 | 50,09,95,543 | 50,32,99,907 |
| 3 Total Revenue | 6,31,92,51,317 | 70,43,09,262 | 50,09,95,543 | 7,52,45,56,122 |
| B. RESULT | | | | |
| 1. Segment Result/Operating Profit before Tax and Interest | 76,41,06,998 | 35,86,65,873 | 50,09,95,543 | 1,62,37,68,414 |
| 2. Interest Expenses | 7,31,31,072 | 13,65,88,185 | – | 20,97,19,257 |
| 3. Provision for Taxation | – | – | – | 24,22,08,004 |
| 4. MAT Credit Entitlement | – | – | – | (1,16,16,189) |
| 5. Net Profit | – | – | – | 1,18,34,57,342 |
| C. OTHER INFORMATION | | | | |
| 1. Segment Assets | 2,25,80,95,322 | 5,63,09,99,752 | 1,42,95,30,180 | 9,31,86,25,254 |
| 2. Segment Liabilities | 2,07,51,90,564 | 1,47,54,78,232 | 5,76,79,56,458 | 9,31,86,25,254 |
| 3. Capital Expenditure | 1,48,31,658 | 91,61,90,433 | 15,71,50,781 | 1,08,81,72,872 |
| 4. Depreciation | 70,24,086 | 29,58,71,293 | – | 30,28,95,379 |

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

16. **Related Party disclosures under Accounting Standard 18 :**

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

| 2009-2010 | |
|---|---|
| Name | Relationship |
| Mr. Rajiv Agarwal | Key Management Personnel |

b) There are no transactions with the above related parties during the year.

17. This being the first year of presentation of Consolidated Financial Statement, figures for the previous year are not applicable.

## Consolidated Cash Flow Statement For the year ended March 31, 2010

*(Amount in Rupees)*

| | 2009-2010 |
|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | |
| **Net Profit before tax and extraordinary items** | 1,41,40,49,157 |
| **Adjustments for :** | |
| Depreciation | 30,28,95,379 |
| (Profit)/Loss on sale of Fixed Assets | 71,54,818 |
| Interest/Dividend Income | (38,27,23,456) |
| (Profit) /Loss on sale of Investments (Net) | (7,12,17,123) |
| Interest Paid | 20,97,19,257 |
| Miscellaneous Balance Written Back | (1,23,304) |
| **Operating Profit before Working Capital Changes** | **1,47,97,54,728** |
| **Adjustments for :** | |
| Trade and Other Receivables | (86,19,23,181) |
| Inventories | (6,32,96,135) |
| Trade Payables | (1,62,49,68,592) |
| **Cash generated from / (Used in) operations** | **(1,07,04,33,180)** |
| Direct Taxes paid (net of refunds) | (29,26,58,551) |
| **Cash Flow before Extraordinary items** | **(1,36,30,91,731)** |
| Extraordinary Items | – |
| **Net Cash Flow from / (Used in) Operating Activities** | **(1,36,30,91,731)** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | |
| Purchase of Fixed Assets | (2,04,49,312) |
| Sale of Fixed Assets | 8,76,37,413 |
| (Increase)/Decrease in Investments | 83,60,54,032 |
| Acquisition of Transferor Company (By way of amalgamation) | (7,00,64,62,27) |
| Acquisition of Subsidiary | (1,07,71,54,781) |
| Interest Income | 36,84,56,939 |
| Dividend Income | 1,42,66,517 |
| **Net Cash Flow from / (Used in) Investing Activities** | **(49,18,35,419)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | |
| Proceeds from issue of Debentures | 1,30,00,00,000 |
| Proceeds from Borrowings | 51,66,66,524 |
| Proceeds from Refund of Loans | 10,12,36,002 |
| Amount received / (repaid) on Share Application Money | (6,16,57,000) |
| Interest Paid | (20,34,72,682) |
| Dividend paid | (6,74,37,565) |
| **Net Cash Flow from / (Used in) Financing Activities** | **1,58,53,35,279** |
| **Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)** | **(26,95,91,871)** |
| Opening Balance of Cash & Cash Equivalents | 41,58,55,702 |
| Closing Balance of Cash & Cash Equivalents | 14,62,63,831 |

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

For **S. S. Kothari & Co.**
*Chartered Accountants*
Firm's Registration No. 302034E
**R. N. Bardhan**
*Partner*
Membership No. 17270

Centre Point
21, Old Court House Street
Kolkata-700 001
The 17th day of July, 2010

**N. Brahma**
*Company Secretary*

**P. P. Gupta**
*Managing Director*
**K. M. Poddar**
*Director*

# Director's report

Your Directors present herewith the fifth annual report of the Company for the year ended on March 31, 2010.

**Financial results:**

During the year under review, the Company earned Rs. 34,08,66,411 (previous year Rs. 22,21,82,715) as sales income and Rs. 13,42,427 (previous year Rs. 30,76,554) as other income. After providing for operating and other expenses, employees' remuneration and benefits, financial charges, depreciation and fringe benefit tax, the Company incurred a net profit of Rs. 6,80,46,799 in 2009-10, against a net loss of Rs. 3,73,73,081 in the previous year.

**Dividend:**

In view of future diversification and acquisition purposes, your Directors want to plough back the profit in the business and do not recommend any dividend for 2009-10. However, the Company paid a dividend amounting to Rs. 37,87,671 on preference shares owing to redemption of the same.

**Change in capital structure:**

During 2009-10, the authorised share capital of the Company increased to Rs. 135,00,00,000, divided into 11,00,00,000 equity shares of Rs. 10 each and 25,00,000 preference shares of Rs. 100 each, as against Rs. 125,00,00,000 divided into 10,00,00,000 equity shares of Rs. 10 each and 25,00,000 preference shares of Rs. 100 each in the previous year.

During the year under review, the issued, subscribed and paid-up capital of the Company also changed. The Company issued and allotted 1,44,00,000 equity shares of Rs. 10 each at a premium of Rs. 10 per share and redeemed 25,00,000 redeemable preference shares of Rs. 100 each at a premium of 5% p.a.

Subsequent to the change in capital as mentioned above, the issued, subscribed and paid-up capital of the Company now stands at Rs. 106,40,04,000 comprising 10,64,00,400 equity shares of Rs. 10 each, fully paid-up.

**Deposits:**

During 2009-10, the Company did not accept any deposits within the meaning of the provisions of Section 58A of the Companies Act, 1956.

**Directors:**

Mr. Nilesh V. Dhanani, Director, retires by rotation and, being eligible, offers himself for re-appointment.

Mr. Rajiv Agarwal and Mr. S. N. Roy were appointed Additional Directors on November 18, 2009 and Mr. P. K. Lohia was appointed Additional Director on March 15, 2010. The appointment of Mr. Rajiv Agarwal, Mr. S. N. Roy and Mr. P. K. Lohia as Directors is to be confirmed by the shareholders at the Company's forthcoming Annual General Meeting.

Mr. Harish H. Mehta and Mr. Ranjitsinh A. Parmar resigned on November 20, 2009.

**Directors' responsibility statement:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

(i) In the preparation of the annual accounts, the applicable accounting standards were followed.

(ii) The Directors selected such accounting policies and applied them consistently and made reasonable, prudent judgments and estimates so as to give a true and fair view of the Company's state of affairs and profits at the end of the financial year.

(iii) The Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Company's assets, preventing and detecting fraud and other irregularities.

(iv) The Directors prepared the annual accounts on a going concern basis.

**Particulars of conservation of energy, technology absorption and foreign exchange earning and outgo:**

The particulars regarding conservation of energy, technology absorption and foreign exchange earning and outgo, pursuant to Section 217(1) (e) of the Companies Act, 1956, are nil.

The Company's operations are not energy-intensive as it is not engaged in the manufacturing process. The Company has undertaken power generation activity through installation of wind turbines. The Company places great emphasis on research and development and, through its vendors, ensures that its assets are high-quality. It is proposed to carry out such improvements on a continuous basis.

The Company has not incurred/earned any foreign exchange during the year.

**Particulars of employees:**

During 2009-10, no employee was in receipt of remuneration of or in excess of the amount prescribed in the provisions of Section 217(2A) of the Companies Act, 1956.

**Auditors:**

M/s. SNK & Co., Chartered Accountants, Pune, hold office up to the ensuing Annual General Meeting of the Company 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.

**Acknowledgements:**

The Directors wish to place on record their appreciation for the co-operation and support received from various agencies, customers, consultants, government departments and bankers, and look forward to their continued support in the years to come.

By order of the Board of Directors

Dated: July 16, 2010 — **Rajiv Agarwal**
Place: Pune — Chairman

# Auditors' Report

To
The Members,
**Simran Wind Project Private Limited**

1. We have audited the attached Balance Sheet of SIMRAN WIND PROJECT PRIVATE LIMITED as at March 31, 2010 and Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management in the preparation of financial statements and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further we report that:

   (i) 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;

   (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report is in agreement with the books of account;

   (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report complies with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   (v) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010.

      (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date, and

      (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **SNK & CO.**
*Chartered Accountants*
Firm Regn. No. 109176W

**Jasmin B. Shah**
*Partner*
Membership No. 46238

Place: Pune
Date: July 16, 2010

# Annexure to the Auditors' Report

**(Referred to in paragraph 3 of Auditors' Report to the members of Simran Wind Project Private Limited for the year ended on March 31, 2010)**

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have been physically verified by the management at reasonable intervals during the year. As informed, no material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

2) The Company does not have any inventory. Hence, Clauses 4(ii)(a) to 4(ii)(c) of the Order are not applicable.

3) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence, Clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable.

(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence, Clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.

5) According to the information and explanations provided by management, we are of the opinion that there are no such transactions that need to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956. Hence, Clause 4(v)(b) of the Order is not applicable.

6) The Company has not accepted any deposits from the public. Accordingly, clause 4(vi) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

7) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.

8) In our opinion and according to the information and explanations given to us, the Company is required to maintain cost records as per the provisions contained under Section 209(1) (d) of the Companies Act, 1956. The Company has maintained the cost records as required.

9) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, Employees State Insurance, Income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanation given to us, there are no dues in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess, that have not been deposited on account of any dispute.

10) The Company has no accumulated losses at the end of the financial year. The Company has also not incurred cash losses in the financial year under report or in the immediately preceding financial year.

11) Based on our audit procedures and as per the information and explanations given by the management and relevant confirmations from applicable banks and financial institutions, we are of the opinion that the Company has not defaulted in the repayment of dues to a financial institution or a bank or debenture holders.

12) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by the way of pledge of shares, debentures, and other securities. Accordingly, clause 4(xii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14) In our opinion, the Company does not deal or trade in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

15) According to information and explanations given to us, the Company has not given guarantees for loans taken by other company from bank or financial institutions. Accordingly, clause 4(xv) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

16) The term loans raised during the year have been utilised for the purpose for which they were raised.

17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.

18) The Company has, during the year, not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

19) The Company has created securities in respect of debentures issued during the year.

20) The Company has not raised any money by way of public issue during the year ended on March 31, 2010. Accordingly, clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

21) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **SNK & CO.**
*Chartered Accountants*
Firm Regn. No. 109176W

**Jasmin B. Shah**
*Partner*
Membership No. 46238

Place: Pune
Date: July 16, 2010

# Balance Sheet As at March 31, 2010

*(All amounts in rupees unless otherwise stated)*

| Particulars | Schedule No. | As at March 31, 2010 | As at March 31, 2009 |
|---|---|---|---|
| **I. SOURCES OF FUNDS** | | | |
| 1. Shareholders' Funds | | | |
| (a) Share capital | A | 1,06,40,04,000 | 1,17,00,04,000 |
| (b) Reserves and Surplus | B | 1,06,91,56,090 | 91,15,68,920 |
| | | **2,13,31,60,090** | **2,08,15,72,920** |
| 2. Share Application Money | | – | 6,16,57,000 |
| 3. Loan Funds | | | |
| (a) Secured Loans | C | 80,00,00,000 | – |
| (b) Unsecured Loans | D | – | 23,00,00,000 |
| | | **80,00,00,000** | **23,00,00,000** |
| | | **2,93,31,60,090** | **2,37,32,29,920** |
| **II APPLICATION OF FUNDS** | | | |
| 1. Fixed Assets | E | | |
| Gross Block | | 3,03,75,76,872 | 2,66,39,78,316 |
| Less: Depreciation | | 26,97,60,141 | 11,35,79,922 |
| Net Block | | 2,76,78,16,731 | 2,55,03,98,394 |
| Capital work-in-progress | | – | 46,75,35,474 |
| | | **2,76,78,16,731** | **3,01,79,33,868** |
| 2. Current Assets, Loans and Advances | F | | |
| (a) Sundry Debtors | | 13,20,54,029 | 3,05,38,882 |
| (b) Cash and Bank Balances | | 2,13,84,181 | 1,17,98,578 |
| (c) Loans and Advances | | 1,90,35,176 | 96,74,329 |
| | | 17,24,73,386 | 5,20,11,789 |
| Less: Current Liabilities and Provisions | G | 71,30,027 | 72,78,05,624 |
| Net Current Assets | | **16,53,43,359** | **(67,57,93,835)** |
| 3. Profit and Loss Account | | – | **3,10,89,887** |
| | | **2,93,31,60,090** | **2,37,32,29,920** |
| Significant accounting policies and notes to accounts | L | | |

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For and on behalf of the Board of Directors of
**Simran Wind Project Private Limited**

For **SNK & Co.**
*Chartered Accountants*
Firm Regn. No. 109176W

**P. K. Lohia**
*Director*

**Jasmin B. Shah**
*Partner*
Membership No. 46238

**Rajiv Agarwal**
Director

Place : Pune
Date : July 16, 2010

## Profit and Loss Account For the year ended March 31, 2010

*(All amounts in rupees unless otherwise stated)*

| Particulars | Schedule No. | April 1, 2009 to March 31, 2010 | April 1, 2008 to March 31, 2009 |
|---|---|---|---|
| **I INCOME** | | | |
| Sales | | 34,08,66,411 | 22,21,82,715 |
| Other Income | H | 13,42,427 | 30,76,554 |
| | | **34,22,08,838** | **22,52,59,269** |
| **II EXPENDITURE** | | | |
| Trading Purchases | | – | 8,50,10,867 |
| Operating and Other Expenses | I | 1,48,34,930 | 88,22,497 |
| Employees' Remuneration and Benefits | J | 66,277 | 2,48,420 |
| Financial Charges | K | 10,28,87,790 | 6,90,01,416 |
| Depreciation | E | 15,61,80,219 | 9,95,45,009 |
| | | **27,39,69,216** | **26,26,28,209** |
| **Profit/(Loss) before Taxation** | | **6,82,39,622** | **(3,73,68,940)** |
| Current Tax | | 1,18,08,536 | – |
| MAT Credit | | (1,16,16,189) | – |
| Earlier year Tax | | 476 | – |
| Fringe Benefit Tax | | – | 4,141 |
| **Profit/(Loss) after Taxation** | | **6,80,46,799** | **(3,73,73,081)** |
| Balance brought forward | | (3,10,89,887) | 62,83,194 |
| **Amount Available for Appropriation** | | **3,69,56,912** | **(3,10,89,887)** |
| **Appropriations** | | | |
| Dividend Paid on Preference Shares | | 37,87,671 | – |
| Dividend Tax | | 6,43,715 | – |
| **Balance Carried to Balance Sheet** | | **3,25,25,526** | **(3,10,89,887)** |
| Earning per share (in Rs.) [Refer Schedule L, Note No. 9] | | 0.69 | (0.48) |
| (Face value of Rs. 10/-) | | | |
| Significant accounting policies and notes to accounts | L | | |

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For **SNK & Co.**
*Chartered Accountants*
Firm Regn. No. 109176W

**Jasmin B. Shah**
*Partner*
Membership No. 46238

Place : Pune
Date : July 16, 2010

For and on behalf of the Board of Directors of
**Simran Wind Project Private Limited**

**P. K. Lohia**
*Director*

**Rajiv Agarwal**
Director

## Schedules to the Accounts

*(All amounts in rupees unless otherwise stated)*

| Particulars | | As at March 31, 2010 | As at March 31, 2009 |
|---|---|---|---|
| **A. SHARE CAPITAL** | | | |
| **Authorised:** | | | |
| 11,00,00,000 (10,00,00,000) Equity Shares of Rs. 10/- each | | 1,10,00,00,000 | 1,00,00,00,000 |
| 25,00,000 (25,00,000) Preference Shares of Rs. 100/- each | | 25,00,00,000 | 25,00,00,000 |
| | | **1,35,00,00,000** | **1,25,00,00,000** |
| **Issued, Subscribed and Paid-up** | | | |
| 10,64,00,400 (9,20,00,400) Equity Shares of Rs. 10/- each fully paid-up | | 1,06,40,04,000 | 92,00,04,000 |
| (100% of equity shares held by Techno Electric & Engineering Co. Ltd) | | | |
| NIL (25,00,000) 1% Redeemable Preference Shares of Rs. 100/- each fully paid-up | | – | 25,00,00,000 |
| | | **1,06,40,04,000** | **1,17,00,04,000** |
| **B. RESERVES AND SURPLUS** | | | |
| Securities Premium | 91,15,68,920 | | 91,15,68,920 |
| Add : Addition during the year | 14,40,00,000 | | |
| | 1,05,55,68,920 | | |
| Less : Premium on redemption of Preference Shares | 1,89,38,356 | 1,03,66,30,564 | |
| Profit and Loss account | | 3,25,25,526 | – |
| | | **1,06,91,56,090** | **91,15,68,920** |
| **C. SECURED LOANS** | | | |
| 7.50% Non Convertible Debentures (Refer Schedule L, Note No. 6) | | 80,00,00,000 | – |
| | | **80,00,00,000** | **–** |
| **D. UNSECURED LOANS** | | | |
| From Financial Institution | | – | 23,00,00,000 |
| | | **–** | **23,00,00,000** |

### E. FIXED ASSETS

| Description | Gross Block | | | Depreciation | | | Net Block | |
|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2009 | Additions | As at March 31, 2010 | Up to April 1, 2009 | For the year | Up to March 31, 2010 | As at March 31, 2010 | As at March 31, 2009 |
| Land | 6,27,10,104 | 18,00,000 | 6,45,10,104 | – | – | – | 6,45,10,104 | 6,27,10,104 |
| Plant and Machinery (Wind mill) | 2,60,10,24,925 | 37,17,98,556 | 2,97,28,23,481 | 11,35,36,670 | 15,61,46,996 | 26,96,83,666 | 2,70,31,39,815 | 2,48,74,88,255 |
| Office Equipment | 6,995 | – | 6,995 | 387 | 332 | 719 | 6,276 | 6,608 |
| Computers and Computer Equipment | 1,55,645 | – | 1,55,645 | 31,666 | 25,230 | 56,896 | 98,749 | 1,23,979 |
| Motor Vehicles | 80,647 | – | 80,647 | 11,199 | 7,661 | 18,860 | 61,787 | 69,448 |
| **Total** | **2,66,39,78,316** | **37,35,98,556** | **3,03,75,76,872** | **11,35,79,922** | **15,61,80,219** | **26,97,60,141** | **2,76,78,16,731** | **2,55,03,98,394** |
| Previous Year | 95,54,90,742 | 1,70,84,87,574 | 2,66,39,78,316 | 1,40,34,913 | 9,95,45,009 | 11,35,79,922 | 2,55,03,98,394 | – |
| Capital work-in-progress | – | – | – | – | – | – | – | 46,75,35,474 |
| **Grand Total** | **2,66,39,78,316** | **37,35,98,556** | **3,03,75,76,872** | **11,35,79,922** | **15,61,80,219** | **26,97,60,141** | **2,76,78,16,731** | **3,01,79,33,868** |

*(All amounts in rupees unless otherwise stated)*

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|---|---|---|
| **F. CURRENT ASSETS, LOANS AND ADVANCES** | | |
| CURRENT ASSETS | | |
| (a) Sundry Debtors | | |
| (Unsecured, Considered Good) | | |
| Outstanding for a period exceeding six months | 1,06,14,668 | 36,21,815 |
| Others | 12,14,39,361 | 2,69,17,067 |
| | **13,20,54,029** | **3,05,38,882** |
| (b) Cash and Bank Balances | | |
| Cash in hand | 4,224 | 2,987 |
| Balances with scheduled banks | | |
| In Current Accounts | 2,13,79,957 | 52,95,591 |
| In Term Deposit Accounts | – | 65,00,000 |
| | **2,13,84,181** | **1,17,98,578** |
| (c) Loans and Advances | | |
| Deposits | 2,500 | 2,500 |
| Advance against taxes (Net of Provision for Income Tax) | – | 5,93,886 |
| MAT credit entitlement | 1,22,53,189 | 6,37,000 |
| Advances recoverable in cash or in kind or for value to be received considered good | 67,79,487 | 84,40,943 |
| | **1,90,35,176** | **96,74,329** |

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|---|---|---|
| **G. CURRENT LIABILITIES AND PROVISIONS** | | |
| (a) Current Liabilities | | |
| Sundry Creditors | – | 72,40,55,020 |
| Interest accrued but not due | 62,46,575 | – |
| Other Liabilities | 7,79,976 | 37,50,604 |
| | **70,26,551** | **72,78,05,624** |
| (b) Provisions | | |
| Provision for Income Tax (net of advances) | 1,03,476 | – |
| | **1,03,476** | **–** |
| | **71,30,027** | **72,78,05,624** |

## Schedules to the Accounts

*(All amounts in rupees unless otherwise stated)*

| Particulars | April 01, 2009 to March 31, 2010 | April 01, 2008 to March 31, 2009 |
|---|---|---|
| **H. OTHER INCOME** | | |
| Interest on Deposits | 8,10,237 | 30,76,554 |
| [TDS deducted Rs. 1,20,248 (Rs. 5,82,644)] | | |
| Interest - Others | 1,112 | – |
| Miscellaneous Income | 5,31,078 | – |
| | **13,42,427** | **30,76,554** |

| Particulars | April 01, 2009 to March 31, 2010 | April 01, 2008 to March 31, 2009 |
|---|---|---|
| **I. OPERATING AND OTHER EXPENSES** | | |
| Loss on sale of Asset/CWIP | 72,27,290 | 65,98,202 |
| Advertisement Expenses | 48,792 | – |
| Insurance | 16,26,417 | 3,10,807 |
| Travelling Expenses | 72,157 | 83,176 |
| Communication Expenses | 33,725 | 10,940 |
| Legal and Professional Expenses | 56,62,273 | 15,58,560 |
| Other Admisitrative Expenses | 42,900 | 7,792 |
| Rates and Taxes | 14,972 | 1,97,870 |
| Audit Fees | 55,150 | 55,150 |
| Listing Fees | 21,509 | – |
| Repairs and Maintenance - Plant & Machinery | 29,745 | – |
| | **1,48,34,930** | **88,22,497** |

| Particulars | April 01, 2009 to March 31, 2010 | April 01, 2008 to March 31, 2009 |
|---|---|---|
| **J. EMPLOYEES' REMUNERATION AND BENEFITS** | | |
| Salaries, Wages, Allowances and Bonus | 66,277 | 2,48,420 |
| | **66,277** | **2,48,420** |

| Particulars | April 01, 2009 to March 31, 2010 | April 01, 2008 to March 31, 2009 |
|---|---|---|
| **K. FINANCIAL CHARGES** | | |
| Interest on Debentures | 1,28,21,918 | – |
| Interest on Term Loans | 3,27,93,043 | 5,05,62,229 |
| Other Interest | 3,58,32,588 | 1,82,61,343 |
| Loan Processing Fees | 1,44,24,311 | – |
| Finance Arrangement Charges | 67,66,905 | – |
| Bank Charges | 2,49,025 | 1,77,844 |
| | **10,28,87,790** | **6,90,01,416** |

## L. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Significant Accounting Policies

a) Basis of accounting

The Financial statements are prepared under the historical cost convention, on accrual basis of accounting to comply in all material respects, with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 ('the Rules') and are in conformity with accounting principles generally accepted in India ('Indian GAAP') as applicable, and the relevant provisions of the Companies Act, 1956 ('the Act'). Accounting policies not referred to otherwise, are consistent with generally accepted accounting principles.

b) Uses of estimates

The preparation of financial statements is in conformity with the Indian GAAP which requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures in relation to contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Capital Work-in-Progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at the Balance Sheet date.

d) Depreciation

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on additions of fixed assets is being provided on pro-rata basis from the month of such additions.

e) Revenue recognition

Power generation income

Power generation income is recognized on the basis of units of power generated, net of wheeling and transmission loss, as applicable, as shown in power generation report issued by the concerned authority.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

g) Earning per share

Basic earning per share is calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

h) Income Tax

Tax expense for the year represents current tax, deferred tax. Current tax is measured after taking into consideration deductions and exemptions admissible under the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability and is considered and recognized as an asset in the Balance Sheet when it is probable that such benefits will flow to the Company in future years and the same can be measured reliably.

The Company comprises business units engaged in generation of electricity from wind power at various locations. All units are eligible for 100% tax holiday for a period of 10 consecutive years out of fifteen years, from the year in which generation of power is started. Accordingly, the tax holidays for each of these units are likely to expire at various times, after financial year ending on 31.03.2023.

Timing difference between the tax basis and carrying values of assets and liabilities, which originate during the year but reverse during the tax holiday period are not recognized in the year in accordance with the requirements of Accounting Standard – 22 of the ICAI.

## Schedules to the Accounts

### L. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

The Tax effect is calculated on accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations.

i) **Provisions, contingent liabilities and contingent assets**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

j) **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.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances Rs. Nil (Rs. 6.00 lacs).

3. Disclosure u/s 22 of Micro, Small and Medium Enterprises Development Act, 2006 :
   - i. Principal amount remaining unpaid to suppliers as on March 31, 2010: Rs. Nil (Rs. Nil)
   - ii. Amount of Interest due and remaining unpaid as on March 31, 2010 : NIL
   - iii. Amount of interest paid u/s 16 : NIL
   - iv. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act : NIL
   - v. Amount of interest accrued and remaining unpaid as on March 31, 2010 : NIL

4. The Company has capitalized Rs. Nil (Rs. 142.19 lacs) towards borrowing cost, of which Rs. Nil (Rs. 45.55 lacs) are carried under capital work in progress.

5. During the year, the Company has redeemed 25,00,000 1% Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up, forming an aggregate of Rs. 25 Crores in share capital of the Company, by paying off the holders of such preference shares of Rs. 100 per share being paid up value of each preference share out of the proceeds of fresh issue of equity shares and that the premium and the cumulative dividend paid out of accumulated reserves standing to the credit of the Company and out of profit of current year of the Company respectively.

6. During the year, the Company has issued secured 800 7.50% Non-Convertible Debentures (NCDs) of Face Value of Rs. 10,00,000 each at par, fully paid up, aggregating to Rs. 80 Crores, interest being payable quarterly and principal being repayable in 11 equal quarterly installments starting from 20.05.2010 and the last installment payable on 20.11.2012. These NCDs are secured by way of creation of mortgage/charge in favor of Debenture Trustee M/s. IDBI Trusteeship Services Ltd. as under :
   - (a) first pari passu charge by way of mortgage in respect of immovable properties of the Company situated at Melamaruthappapuram Village, Veerakeralamputhur Taluk, Tirunelveli District, Tamil Nadu;
   - (b) specific pari passu charge on all movable and immovable plant and machinery, boiler, electrical and other installations, equipments, furniture and fixtures, tools etc. of the Company;
   - (c) specific charge on all current assets of the Company and
   - (d) Corporate Guarantee of M/s. Techno Electric & Engineering Company Limited (Formerly: Super Wind Project Limited), the holding company of the Company.

7. The Company primarily operated in one segment i.e. Wind Power Generation. Therefore, the Segment Reporting as required under Accounting Standard - 17 issued by The Institute of Chartered Accountants of India is not applicable. There is no reportable geographical segment either.

## Schedules to the Accounts

**L. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS** *(Contd.)*

8. **Contingent liabilities** *(Amount in Rs. Lacs)*

| | 2009-2010 | 2008-2009 |
|---|---|---|
| Preference Share Dividend & tax thereon | Nil | 15.14 |
| Mortgage/charge created in favor of IDBI Trusteeship Services Ltd. on all immovable/ movable assets of the Company to provide security to debenture holders of M/s. Techno Electric & Engineering Co. Ltd (Formerly : Super Wind Project Ltd.), holding company, on a pari-passu basis with debenture holders of the Company. | 5,000.00 | Nil |

9. **Earnings per share** *(Amount in Rs. except No. of Shares)*

| | 2009-2010 | 2008-2009 |
|---|---|---|
| **Basic earnings per share** | | |
| Net Profit / (loss) after tax (a) | 6,80,46,799 | (3,73,73,081) |
| Preference Share Dividend & tax thereon (b) | (44,31,386) | Nil |
| Profit distributable to Equity Shareholders (c) | 6,36,15,413 | 7,79,08,350 |
| Weighted average no. of equity shares of face value of Rs. 10 (d) | 9,20,39,860 | 7,79,08,350 |
| **Basic earnings per share in Rs. (a) / (d)** | **0.69** | **(0.48)** |

10. As the Company does not have any employee at the end of the financial year, Accounting Standard – 15 (Revised) : Employee Benefits, issued by the Institute of Chartered Accountants of India is not applicable.

11. Repair and Maintenance - Plant & Machinery has been shown net of Insurance Claim of Rs. 5.06 crores received during the year.

12. Additional information pursuant to the provisions of paragraph 3, 4B, 4C and 4D of part II of schedule VI of the Companies Act, 1956 :

(a) **Auditor's remuneration** *(Amount in Rs. except No. of Shares)*

| Nature | 2009-2010 | 2008-2009 |
|---|---|---|
| Statutory audit fees | 38,605 | 38,605 |
| Tax audit fees | 16,545 | 16,545 |
| **Total** | **55,150** | **55,150** |

(b) **Details of opening stock, turnover and closing stock : Trading of WTG**

| Particulars | 2009-2010 | | 2008-2009 | |
|---|---|---|---|---|
| | Qty. (MW) | Amount (Rs. Lacs) | Qty. (MW) | Amount (Rs. Lacs) |
| Opening Stock | – | – | 3.00 | 1,700.22 |
| Turn over | – | – | 1.50 | 857.42 |
| Transferred to fixed asset | – | – | 1.50 | 850.11 |
| Closing Stock | – | – | – | – |

(c) **Details of power generation income :**

| Particulars | 2009-2010 | | 2008-2009 | |
|---|---|---|---|---|
| | Qty. Units (KWH) | Amount (Rs. Lacs) | Qty. Units (KWH) | Amount (Rs. Lacs) |
| A. Licensed capacity | NA | – | NA | – |
| B. Installed capacity | 504,50 | – | 44,450 | – |
| C. Production / Sales | 10,76,62,646 | 3,408.66 | 4,73,51,832 | 1,364.40 |

(a) Expenditure in foreign currency : Nil

(b) Dividend remitted in foreign currency during the year : Nil

(c) Earnings in foreign currency : Nil

# Schedules to the Accounts

## L. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

13. Related party transactions :

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

| Sl. No. | Name of the party | Nature of relationship |
|---|---|---|
| 1 | Suzlon Green Power Limited | Holding Company (upto 19.11.2009) |
| 2 | Techno Electric & Engineering Co. Ltd. (Formerly : Super Wind Project Limited) | Holding Company (from 20.11.2009) |
| 3 | Shubh Realty (South) Private Limited | Entities where KMP/RKMP has significant influence (upto 19.11.2009) |
| 4 | Shri Nilesh V. Dhanani | KMP (upto 19.11.2009) |
| 5 | Shri Harish H. Mehta | KMP (upto 19.11.2009) |
| 6 | Shri Ranjitsinh A. Parmar | KMP (upto 19.11.2009) |
| 7 | Shri Rajiv Agarwal | KMP (from 20.11.2009) |
| 8 | Shri S. N. Roy | KMP (from 20.11.2009) |
| 9 | Shri P. K. Lohia | KMP (from 15.03.2010) |

B. Transactions between the Company and the related parties and the status of outstanding balances as on March 31, 2010 :

*(Rupees in Lacs)*

| Particulars | Holding Company | Entities where KMP/ RKMP has significant influence |
|---|---|---|
| Share application money for equity and preference shares received | 2,880.00<br>(9,345.00) | NIL<br>(NIL) |
| Allotment of Equity Shares (including share premium) | 2,880.00<br>(5,845.00) | NIL<br>(NIL) |
| Allotment of Preference Shares | NIL<br>(2,500.00) | NIL<br>(NIL) |
| Refund of share application money | 616.57<br>(383.43) | NIL<br>(NIL) |
| Redemption of Preference Shares | 2,500.00<br>(NIL) | NIL<br>(NIL) |
| Payment of Dividend on Preference Shares | 37.88<br>(NIL) | NIL<br>(NIL) |
| Purchase of Fixed Assets | NIL<br>(NIL) | NIL<br>(1180.39) |
| Advances given | NIL<br>(NIL) | NIL<br>(325.62) |
| Purchase of goods & services rendered | NIL<br>(NIL) | NIL<br>(9.55) |
| Advance received | 10,599.03<br>(1,450.00) | NIL<br>(NIL) |
| Advance repaid | 10,599.03<br>(1,450.00) | NIL<br>(NIL) |
| ICD given | NIL<br>(60.00) | NIL<br>(NIL) |
| ICD return | NIL<br>(60.00) | NIL<br>(NIL) |
| ICD interest received | NIL<br>(0.31) | NIL<br>(NIL) |

## L. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

B. Transactions between the Company and the related parties and the status of outstanding balances as on March 31, 2010 (Contd.):

*(Rupees in Lacs)*

| Particulars | Holding Company | Entities where KMP/ RKMP has significant influence |
|---|---|---|
| **Outstanding balances** | | |
| Payable to suppliers | NIL<br>(NIL) | NIL<br>(737.96) |
| Share Application money received (pending allotment) | NIL<br>(616.57) | NIL<br>NIL |

**Note:** The Company does not have any subsidiaries or associates and it has not undertaken any transactions with the KMP or RKMP, hence the same has not been disclosed.

C. Disclosure of significant transactions with related parties : *(Rupees in Lacs)*

| Particulars | Name of the entity / person | Type of relationship | Amount |
|---|---|---|---|
| Share application money received and equity shares allotted | Suzlon Green Power Ltd. | Holding Company | NIL<br>(5,845.00) |
| Share application money received and preference shares allotted | Suzlon Green Power Ltd. | Holding Company | NIL<br>(2,500.00) |
| Share application money received and allotment of equity shares | Techno Electric & Engg. Co. Ltd. (Formerly : Super Wind Project Limited) | Holding Company | 2,880.00<br>(NIL) |
| Share application money refunded | Suzlon Green Power Ltd. | Holding Company | 616.57<br>(383.43) |
| Redemption of Preference Shares | Techno Electric & Engg. Co. Ltd. (Formerly : Super Wind Project Limited) | Holding Company | 2,500.00<br>(NIL) |
| Payment of Dividend on Preference shares | Techno Electric & Engg. Co. Ltd. (Formerly : Super Wind Project Limited) | Holding Company | 37.88<br>(NIL) |
| Purchase of Fixed Assets | Shubh Realty (South) Pvt Ltd | Entities where KMP /RKMP has significant influence | NIL<br>(1,180.39) |
| Advances given | Shubh Realty (South) Pvt Ltd | Entities where KMP /RKMP has significant influence | NIL<br>(325.62) |
| Purchase of goods & services | Shubh Realty (South) Pvt Ltd | Entities where KMP /RKMP has significant influence | NIL<br>(9.55) |

# Schedules to the Accounts

## L. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd.)*

C. Disclosure of significant transactions with related parties (Contd.): *(Rupees in Lacs)*

| Particulars | Name of the entity / person | Type of relationship | Amount |
|---|---|---|---|
| Advance received | Suzlon Green Power Ltd. | Holding Company | 9,152.00<br>(1,450.00) |
| Advance received | Techno Electric & Engg. Co. Ltd.<br>(Formerly : Super Wind Project Ltd.) | Holding Company | 1,447.03<br>(NIL) |
| Advance repaid | Suzlon Green Power Ltd. | Holding Company | 9,152.00<br>(1,450.00) |
| Advance repaid | Techno Electric & Engg. Co. Ltd.<br>(Formerly : Super Wind Project Ltd.) | Holding Company | 1,447.03<br>(NIL) |
| ICD given | Techno Electric & Engg. Co. Ltd.<br>(Formerly : Super Wind Project Ltd.) | Holding Company | NIL<br>(60.00) |
| ICD return | Techno Electric & Engg. Co. Ltd.<br>(Formerly : Super Wind Project Ltd.) | Holding Company | NIL<br>(60.00) |
| ICD interest received | Techno Electric & Engg. Co. Ltd.<br>(Formerly : Super Wind Project Ltd.) | Holding Company | NIL<br>(0.31) |

**14.** Figures have been rounded off to nearest rupee and previous year's figures have been regrouped, re-arranged and reclassified, wherever considered necessary.

Signature to Schedules A to L

As per our report of even date

For **SNK & Co.**
*Chartered Accountants*
Firm Regn. No. 109176W

**Jasmin B. Shah**
*Partner*
Membership No. 46238

Place : Pune
Date : July 16, 2010

For and on behalf of the Board of Directors of
**Simran Wind Project Private Limited**

**P. K. Lohia**
*Director*

**Rajiv Agarwal**
Director

## Cash Flow Statement For the year ended March 31, 2010

*(All amounts in rupees unless otherwise stated)*

| Particulars | Year ended March 31, 2010 | Year ended March 31, 2009 |
|---|---|---|
| **A CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Profit/(Loss) before tax and extraordinary items** | **6,82,39,622** | **(3,73,68,940)** |
| **Adjustments for:** | | |
| Depreciation | 15,61,80,219 | 9,95,45,009 |
| Interest income | (8,11,349) | (30,76,554) |
| Interest expense | 1,28,21,918 | 6,88,23,572 |
| Miscellaneous balances written back | (1,23,304) | – |
| Loss on sale of assets | 72,27,290 | 65,98,202 |
| **Operating profit before working capital changes** | **24,35,34,396** | **13,45,21,289** |
| (Increase)/Decrease in inventories | – | 17,00,21,734 |
| (Increase)/Decrease in debtors | (10,15,15,147) | 91,02,02,359 |
| (Increase)/Decrease in loans & advances | 16,61,456 | (6,75,352) |
| Increase/(Decrease) in current liabilities & provisions | (72,69,02,344) | (6,52,97,644) |
| | **(58,32,21,639)** | **1,14,87,72,386** |
| Income Tax paid | (1,11,11,650) | (5,58,107) |
| **Net cash (used in ) / generated from operating activities** | **(59,43,33,289)** | **1,14,82,14,279** |
| **B CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of fixed assets | (7,04,785) | (95,17,96,948) |
| Proceeds from sale of assets | 8,74,14,413 | 9,55,81,730 |
| Interest received | 8,11,349 | 30,57,611 |
| **Net cash flow from investing activities** | **8,75,20,977** | **(85,31,57,607)** |
| **C CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from issue of Debentures | 80,00,00,000 | – |
| Proceeds from issue of Preference shares | – | 25,00,00,000 |
| Amount received/(repaid) on Share Application Money | (6,16,57,000) | 6,16,57,000 |
| Proceeds from issuance of Equity share capital | 28,80,00,000 | 82,85,64,920 |
| Redemption of Preference Share Capital with Premium | (26,89,38,356) | – |
| Dividend Paid on Preference Share incl. Dividend Tax | (44,31,386) | – |
| Interest paid | (65,75,343) | (6,88,23,572) |
| Repayment of Unsecured loan | (23,00,00,000) | (1,77,00,00,000) |
| **Net cash used in financing activities** | **51,63,97,915** | **(69,86,01,652)** |
| **Net increase/(decrease) in cash and cash equivalents** | **95,85,603** | **(40,35,44,980)** |
| Cash and cash equivalents at the beginning of the year | 1,17,98,578 | 41,53,43,558 |
| Cash and cash equivalents at the end of the year | 2,13,84,181 | 1,17,98,578 |

As per our report of even date

For **SNK & Co.**
*Chartered Accountants*
Firm Regn. No. 109176W

**Jasmin B. Shah**
*Partner*
Membership No. 46238

Place : Pune
Date : July 16, 2010

For and on behalf of the Board of Directors of
**Simran Wind Project Private Limited**

**P. K. Lohia**
*Director*

**Rajiv Agarwal**
Director

## Balance Sheet Abstract and Company's General Business Profile

| | | | |
|---|---|---|---|
| I. Registration No. (CIN) | U40108PN2005PTC021476 | | |
| Balance Sheet Date | 31 03 2010 | | |
| **II. Capital raised during the year (Amount in Rs. Thousands)** | | | |
| Public Issue | NIL | Rights Issue | NIL |
| Bonus Issue | NIL | Private Placement (Rs.) | 144000 |
| **III. Position of mobilisation/deployment of funds (Amount in Rs. Thousands)** | | | |
| Total Liabilities | 2933160 | Total Assets | 2933160 |
| **Sources of Funds :** | | | |
| Paid up Capital | 1064004 | Reserves & Surplus | 1069156 |
| Secured Loans | 800000 | Unsecured Loans | NIL |
| **Application of Funds** | | | |
| Net Fixed Assets | 2767817 | Investments | NIL |
| Net Current Assets | 165343 | | |
| **IV. Performance of the Company (Amount in Rs. Thousands)** | | | |
| Turnover | 342209 | Total Expenditure | 273969 |
| Profit/(Loss) before Tax | 68240 | Profit/(Loss) after Tax | 68047 |
| Earning per share (Rs.) | 0.69 | Dividend Rate | NIL |
| **V. Generic Names of principal products, services of the Company : N. A.** | | | |
| Item Code (ITC Code) | NOT APPLICABLE | | |
| Product Description | NOT APPLICABLE | | |

For and on behalf of the Board of Directors of
**Simran Wind Project Private Limited**

**P. K. Lohia**
*Director*

**Rajiv Agarwal**
Director

> The real voyage of discovery consists not in seeing new lands but in seeing with new eyes.
>
> *Marcel Proust*

TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

(Formerly known as Super Wind Project Limited)

# NOTICE
## OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 5th Annual General Meeting of the Members of Techno Electric & Engineering Company Ltd. will be held at "Bharatiya Bhasha Parishad', 36A, Shakespeare Sarani, Kolkata 700 017 on Saturday, the 18th day of September, 2010 at 11.30 a.m. to transact the following business : –

### Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010, Profit & Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.

2. To declare dividend.

3. To appoint a Director in place of Mr. S. N. Roy, who retires by rotation and being eligible, offers him-self for re-appointment.

4. To appoint Auditors and fix their remuneration.

### Special Business:

5. To consider and if thought fit, to pass with or without modifications(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the provisions of the Articles of Association of the Company, consent be and is hereby accorded to the Board of Directors of the Company to borrow in any manner from time to time any sum or sums or moneys at its discretion on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans and working capital facilities obtained from the Company's Bankers in the ordinary course of business), from the financial institutions, Company's bankers and/or from any person or persons, firms, bodies corporate, whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured, will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed by the Board and outstanding at any one time shall not exceed the sum of Rs.750 Crores (Rupees Seven Hundred and Fifty Crores).

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) as aforesaid and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the Principal Officer of the Company and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution(s)."

6. To consider and if thought fit, to pass with or without modifications(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the company to create mortgages/ charges/ hypothecation on all or any of the immovable and movable properties of the Company present and future, of the whole, or substantially the whole, of the undertaking of the Company, ranking pari-passu with or second or subservient or subordinate to the mortgages/ charges / hypothecation already created or to be created in future by the company for securing any loans and/or advances and/or guarantees and/or any financial assistance obtained or may be obtained from financial institutions, banks and/or any other persons or institutions providing finance for the business of the Company or for working capital together with interest thereon and further interest, if any, costs, charges, expenses, remuneration payable to the trustees and all other monies payable by the Company on such terms and conditions and at such times and in such form and manner and to vary and/or alter the terms and conditions of the security created / to be created as aforesaid as the Board of Directors may deem fit.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the creation of mortgage/ charge/ hypothecation as aforesaid and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the Principal Officer of the Company and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution(s)."

7. To consider and if thought fit, to pass with or without modifications(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the company to give guarantee(s) or provide security, from time to time, in connection with a loan or loans made by any other person to, or to any other person by other bodies corporate provided the aggregate of the guarantee(s) so given or security as provided shall not at any time exceed Rs. 200.00 Crores."

8. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314(1-B) and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force) read with Directors' Relatives (office or Place of Profit) Rules, 2003, consent of the Company be and is hereby accorded to the appointment of Mr. Ankit Gupta, son of Mr. P. P. Gupta, Managing Director of the Company, to hold an office or place of profit in the Company as Management Executive on a total monthly remuneration not exceedning limits prescribed under the Companies Act, 1956, together with normal increment, within the aforesaid limit, as per the general policy of the Company and that during his tenure, he will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time including change in designation and responsibilities."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the above resolution and to settle any question, difficulties or doubts that may arise in this regard."

**Regd. Office :**
P–46A, Radha Bazar Lane
Kolkata – 700 001
Dated: the 17th day of July, 2010

By order of the Board of Directors

**(N Brahma)**
*Company Secretary*

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## NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL) INSTEAD OF HIMSELF / HER-SELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 14th September, 2010 to Saturday, the 18th September, 2010, (both days inclusive) for Annual General Meeting and determining the shareholders entitled to receive dividend on equity shares. In respect of the shares held in electronic form, the dividend will be paid to those persons whose names shall appear as beneficial owners as at the end of the business hours on Monday, the 13th September, 2010 as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. The Company shall provide the facility of remittance of dividend through National Electronic Clearing System (NECS) at various locations identified by Reserve Bank of India (RBI) from time to time for the Members holding shares in electronic form and to the Members holding shares in physical form and opted for the said facility.

3. Dividends which have remained unpaid / unclaimed over a period of seven years will have to be transferred by the Company to Investor Education and Protection Fund of the Central Government under Sections 205A & 205C of the Companies Act, 1956. Accordingly, all unpaid/unclaimed amounts in respect of dividends including interim dividend paid by erstwhile Techno Electric & Engg. Co. Ltd. (transferor company) upto the financial year ended 31st March, 2002 have been transferred to the said Fund. Shareholders are advised to encash the unpaid

Dividend Warrants / Cheques for the financial year ended 31st March, 2003 onwards, before transfer to the above referred Fund and no claim will be entertained thereafter by the Company. The unpaid/unclaimed dividend for the year ended 31st March, 2003 can be claimed upto 30th September, 2010.

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

5. Members are requested to bring their copy of Annual Report to the meeting. A member desirous of getting any information on the accounts of the Company is requested to send the queries to the Company at least 10 days in advance of the meeting i.e. by 7th September, 2010 so that proper information can be made available at the meeting.

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

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

8. The Company's shares shall be listed with the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited.

**Regd. Office :**
P–46A, Radha Bazar Lane
Kolkata – 700 001
Dated: the 17th day of July, 2010

By order of the Board of Directors

**(N Brahma)**
*Company Secretary*

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

## Item No. 5 & 6

As per the provisions of Section 293(1)(d) of the Companies Act, 1956 the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves. The increasing business operations and future growth and diversification plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding Rs.750.00 crores.

The borrowings of the Company are, in general, required to be secured by suitable charge / mortgage on all or any of the movable and/or immovable properties of the Company in such form, manner as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

The charge and/or mortgage by the Company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956 and approval of Shareholders by ordinary resolution is required for the purpose.

Your Directors recommend the resolutions as set out in item nos. 5 & 6, for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolutions.

## Item No. 7

In the course of Company's business, it may become necessary for the Board of Directors to give guarantees or provide security in connection with loans made by any other persons to or to any other persons by, other bodies corporate from time to time. As per Section 372A of the Companies Act, 1956, approval of shareholders by way of special resolution is required, if aggregate of loans, investments and guarantees, exceed 60% of the paid up capital and free reserves or 100% of its free reserves, whichever is more. Since the limits may exceed, it is necessary to obtain the consent of the members by a special resolution giving the necessary authority to the Board of Directors to give guarantee or provide security.

Your Directors recommend the resolution as set out in item no. 7 for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

## Item No. 8

In terms of Section 314 of the Companies Act, 1956, appointment of a relative of a director to any office or place of profit in the Company carrying a monthly remuneration of Rs. 10000/- or more but less than Rs. 50,000/- requires consent of the Company by special resolution. Mr. Ankit Gupta is a relative of Mr. P. P. Gupta, Managing Director as per Section 6 of the Companies Act, 1956 and his appointment would be holding of an office or place of profit carrying a remuneration exceeding Rs. 10,000/- p.m. but less than Rs. 50,000/-

Hence, the special resolution at Item No. 8 of the accompanying notice is recommended by the Directors for your approval.

Mr. Ankit Gupta is a Bachelor of Science (Corporate Finance and Accounting) with Minor in Computer Information Systems from Bentley University in Waltham, Massachusetts, U.S.A.

None of the Directors except Mr. P. P. Gupta, Managing Director being related to Mr. Ankit Gupta, is deemed to be concerned or interested in the said resolution.

**Regd. Office :**
P–46A, Radha Bazar Lane
Kolkata – 700 001
Dated: the 17th day of July, 2010

By order of the Board of Directors

**(N Brahma)**
*Company Secretary*

**TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED**

**(formerly Super Wind Project Limited)**

**Registered Office:** P46A, Radha Bazar Lane, Kolkata 700 001

(To be handed over at the entrance of the Meeting Hall)

## ATTENDANCE SLIP

| | | |
|---|---|---|
| Full Name & Address of Member/ Proxy attending the meeting | : | ................................................................ |
| Full Name of First Holder (If Joint Holder/Proxy attending) | : | ................................................................ |
| Folio No. | : | ................................................................ |
| DP ID No. | : | ................................................................ |
| Client ID No. | : | ................................................................ |
| No. of Shares held | : | ................................................................ |

I hereby record my presence at the 5th ANNUAL GENERAL MEETING of the Company held on Saturday, 18th September, 2010 at 11.30 a.m. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 001.

Signture of the Member/Representative/Proxy*

* Strike out whichever is not applicable

**TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED**

**(formerly Super Wind Project Limited)**

**Registered Office:** P46A, Radha Bazar Lane, Kolkata 700 001

## FORM OF PROXY

I/We.............................................................................of ..........................................................

being a member / members of TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED hereby appoint ..................................

..................................... of ............................................................ or failing him/her ........................................................ of ........................................................ as my / our Proxy to vote for me / us, on my / our behalf at the 5th ANNUAL GENERAL MEETING of the Company held on Saturday, 18th September, 2010 and at any adjournment thereof.

Signed this .......................................... day of ......................................, 2010

Signature : ................................................................

Folio No. : ................................................................

DP ID No. : ................................................................

Client ID No. : ................................................................

Affix
Revenue
Stamp

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

# Corporate information

## Board of Directors

| | |
|---|---|
| P. P. Gupta | MANAGING DIRECTOR |
| V. D. Mohile | INDEPENDENT DIRECTOR |
| K. M. Poddar | INDEPENDENT DIRECTOR |
| K. Vasudevan | INDEPENDENT DIRECTOR |
| K. K. Rai | INDEPENDENT DIRECTOR |
| S. N. Roy | INDEPENDENT DIRECTOR |

## Company Secretary

N. Brahma

## Bankers

Vijaya Bank
State Bank of India
IDBI Bank
ICICI Bank
Royal Bank of Scotland (RBS)
Standard Chartered Bank
Allahabad Bank
YES Bank
Citibank N.A.
Indusind Bank
DBS Bank

## Auditors

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

## Registered office

P-46A, Radha Bazar Lane,
Kolkata- 700001

## Corporate office

3F, Park Plaza, 71, Park Street,
Kolkata- 700016

## Registrar and Share Transfer Agent

Niche Technologies Private Ltd.
D-5 I I, Bagree Market, 5th Floor
71, B. R. B. Basu Road
Kolkata-700001
Ph.: 2234-2318/3576,
2235-7270/7271/3070
Fax: 2215-6823

**FORWARD-LOOKING STATEMENTS** In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral-that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise

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